

FRIS

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CONTENTS

China

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PRC INTERNATIONAL AFFAIRS**SOVIET UNION**

LIAOWANG Article Assesses Talyzin's PRC Visit [OVERSEAS EDITION 22 Sep]	C 1
IZVESTIYA Article on Pacific Problems Challenged [RENMIN RIBAO 19 Sep]	C 3
HSIN WAN PAO Views Sino-Soviet Relations [25 Sep]	C 3
Heilongjiang Delegation Visits USSR's Khabarovsk [HEILONGJIANG RIBAO 7 Sep]	C 4

EASTERN EUROPE

Poland's Jaruzelski Winds Up Visit to PRC	H 1
Deng-Jaruzelski Meeting	H 1
Li Xiannian Meets Jaruzelski	H 2
Song Jian Meets Szalajda	H 3
Cultural, Scientific Accord Signed	H 3
Visit Ends, Communique Issued	H 3
Zhao Ziyang Farewells Jaruzelski	H 5
Jaruzelski Cables Thanks [Warsaw PAP]	H 6
AFP Report Notes Controversy	H 6

PRC NATIONAL AFFAIRS

Television Reports CPC's 28 Sep Plenary Session	K 1
Song Renqiong, Bo Yibo Chair Advisory Plenum	K 1
RENMIN RIBAO Encourages Study of CPC Resolution [30 Sep]	K 2
Qiao Shi Predicted To Succeed Hu Yaobang [KYODO]	K 3
PLA Daily on Value of Spiritual Civilization	K 4
Marshal Nie Rongzhen Lauds Long March Spirit	K 5
Yang Shangkun at Ceremony for 'Long March' Album	K 7
Factory Director Functions as 'Center' of Firm [RENMIN RIBAO 25 Sep]	K 8
Bankrupt Liaoning Factory's Assets Auctioned Off	K 9
Stock Issuance by Township Firms Spreads [CHINA DAILY 20 Sep]	K 10
Chen Muhua Discusses 'New Banks', Reforms	K 12
Launches New Bank Services	K 13
Inspects Shaanxi	K 14
Gu Mu Forecasts Increased Foreign Investment	K 15
Hubei Corrects Violation of Joint Venture Law	K 16
Work Style, Efficiency of State Organs Improves [RENMIN RIBAO 7 Sep]	K 17

XINHUA Notes Preparations for Village Rectification	K 18
Circular Urges Workers' Suggestions, Innovations	K 20
State Council Annuls 24 Outdated Regulations	K 20
State Council Circular on Chinese Characters	K 21
Hu Qiaomu on Cultivating Patriotism in Schools	K 21
Beijing Symposium Marks Confucius' Birthday	K 22
RENMIN RIBAO on Identifying 'Signed' Authors [24 Sep]	K 23
Tian Jiyun Meets Archives Meeting Participants	K 23
Speaks on Forestry	K 24
Tian Jiyun, Yu Qiuli Attend Maotai Gathering	K 25

PRC REGIONAL AFFAIRS

EAST REGION

Jiangsu Rural Enterprises Face Problems	O 1
Jiangxi People's Congress Committee Meets	O 1
Jiangxi Governor Ni Xiance Suspended From Duty	O 2
People's Congress Briefed	O 2
Jiangxi Commentary Notes Provincial Investigations	O 3
Shanghai Cadres Reportedly 'Bully' People	O 5
[MING PAO 28 Sep]	
Stock Market Opens in Shanghai; 2 Stocks Traded	O 6

CENTRAL-SOUTH REGION

New Guangdong Regulations for Sino-Foreign Firms	P 1
Guangxi Issues Notice on Huang Yuhui Case Example	P 2
Guangxi Reports Success in Family Planning	P 3
Station Commentary	P 3
Hubei Leader Stresses Family Panning	P 4

NORTHWEST REGION

Shaanxi Official Refutes Price Rise Rumor	T 1
Serious Products Overstocking Reported in Shaanxi	T 1
Shaanxi People's Congress Committee Meeting Closes	T 2
Shaanxi PLA Builds Missile Simulator Trainer	T 2

PRC MEDIA ON TAIWAN AFFAIRS

Beijing Radio Views 'One Country, Two Systems'	U 1
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TAIWAN

Opposition Group Forms New Political Party	V 1
Takes KMT by 'Surprise'	V 1
Premier Denies Country's International Isolation	V 2
Rejects Flag, Name Change	V 3
Yuan Reiterates Stands on Sports Contacts	V 3

LIAOWANG ARTICLE ASSESSES TALYZIN'S PRC VISIT

HK260312 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No 38, 22 Sep 86 p 6

[Article by Yu Jiafu [5713 1367 1788]: "Talyzin's Visit to China and Sino-Soviet Relations"]

[Text] Nikolay V. Talyzin, first deputy chairman of the Presidium of the USSR Council of Ministers and concurrently chairman of the State Planning Committee, paid a week-long official visit to China from 8 to 15 September. He was another Soviet leader visiting China since the 1984 visit of Ivan V. Arkhipov, first deputy chairman of the Presidium of the USSR Council of Ministers.

Talyzin and Chinese Vice Premier Yao Yilin held two rounds of talks in Beijing in which they focused on exploring and discussing various channels to expand the trade, economic, and technological cooperation between the two countries. Premier Zhao Ziyang appraised the talks as "quite good."

Speaking of the cooperation between the two countries, Yao Yilin, who happened to visit the Soviet Union in July 1985, said the past year or so has witnessed some progress in Sino-Soviet cooperation in such fields as economic relations, trade, science, technology, and culture. Trade and economic cooperation between the two countries has developed rather fast, with a good start. The two countries may each supply what the other needs, and supplement each other. However, the scope of cooperation between the two countries is not big, nor is there much variety in its form. He pointed out that the potentials for economic cooperation between the two countries are great, and the Chinese side will make efforts to further tap potentials and to expand the scope and realm of cooperation.

Talyzin believes that under new conditions, the two countries may actively unfold cooperation in economic relations and trade. He said: "We want to point out with satisfaction that the recent active development of Soviet-Chinese economic ties is a sign of the common interest of the two countries in further deepening mutual cooperation."

The two parties came to an agreement through talks to expand the exchange of commodities between the two countries as well as local trade in border areas, and to seek new forms of cooperation, such as initiating joint ventures, production in cooperation, and compensation trade.

When the talks were over, Talyzin and Song Ping, state councillor and concurrently chairman of the State Planning Commission, signed an accord on mutual ties and cooperation between the state planning committees of the two countries. The two parties will mutually send their experts to strengthen ties between them.

Wang Pinqing, vice minister of foreign economic relations and trade, and Y.P. Bavrin, Soviet vice minister of foreign trade, exchanged four documents on trade between the two countries. They also exchanged views on the condition of implementing the 1985-1990 long-term trade accord between the two countries.

Premier Zhao Ziyang believes that many things can be done by both China and the Soviet Union in expanding economic and technological cooperation in various forms. The expansion of cooperation on the basis of equality and mutual benefit will be favorable to both countries.

Speaking on Sino-Soviet relations in his contacts with the Chinese leaders, Talyzin said: "The meetings between Soviet and Chinese statemen and politicians are entering more and more into the practice of the relations between the two countries. The Soviet Union is willing to make contributions to the continuous upgrading of Soviet-Chinese relations from now on in pursuit of lasting good-neighborly relations, of which the two great socialist countries will be proud, and the consolidation of the traditional friendship between the two countries."

At the banquet in honor of Talyzin, Yao Yilin said: China and the Soviet Union are neighbors. We are now in the 1980's, and none of us can go back to by gone days. There are good reasons why our two countries should become good neighbors.

Zhao Ziyang said to Talyzin, good-neighborly relations between China and the Soviet Union are favorable to the peoples of the two countries as well as the entire world situation. Recent years have witnessed progress in Sino-Soviet relations in such fields as economic relations, trade, science, technology, and culture. However, no substantial progress has been made in their political relations because of the obstacles existing in the relations between the two countries. It is hoped that the Soviet Union will do something about it.

The Cambodia issue is the most important of the three big obstacles affecting the normalization of relations between the two countries. The Soviet Union is capable of doing something to urge Vietnam to withdraw all its troops from Cambodia. According to Premier Zhao Ziyang, the withdrawal of Vietnamese troops from Cambodia is the crux in Sino-Soviet, and Sino-Vietnamese relations, as well as the solution to Southeast Asia issues and the relaxation of the situation in the Asia-Pacific region.

Talyzin also exchanged views with Chinese leaders on the reform of the economic structure in both countries. He believes that China has started reform earlier than the Soviet Union, which has much to learn from China in this respect. He say: "We think the task before us, like China, is to learn as quickly as possible to make the fullest use of the great potentialities of the socialist system."

Yao Yilin said, the economic and social reform underway in the Soviet Union has roused wide attention among the Chinese people. We sincerely wish success in reform to the Soviet Union. China has carried out reform in the economic structure for some time now, and will carry out reform in the political structure as well. He believed that in the course of reform, exchange of experiences and views will be helpful to both countries.

Talyzin made a tour of the Sijiqing Township in suburban Beijing on the afternoon of 10 September. In the township government, he asked in detail the conditions of the cooperation between the garment factory under the jurisdiction of the township government and the FRG businessmen, and the proportion of profit divided between the enterprise and the government. In a peasant's home, Talyzin was briefed on the experiences of contracted production, at his own special request.

This Soviet leader in the economic field, who had visited China as an engineer in 1964, was impressed by some newly-built projects in Beijing. According to him, the Chinese contingent of construction workers is admirable.

IZVESTIYA ARTICLE ON PACIFIC PROBLEMS CHALLENGED

HK251506 Beijing RENMIN RIBAO in Chinese 19 Sep 86 p 6

["Jottings" by Sai Bei [1049 0554]: "Necessary Prerequisite"]

[Text] The Soviet newspaper IZVESTIYA recently carried an article on the Pacific region, saying that "there exists a hidden danger of regional conflicts that may be triggered from time to time in this region." Attributing this mainly to the "existence of the U.S. network of bases spread all over the western Pacific region," the article asserted that the Soviet Union "never wants to force any ideological concepts or development modes upon" the Asian Pacific countries but wishes to "coexist peacefully and cooperate" with the peoples in this region. This argument can hardly convince readers since it tries to shift on to the United States alone the responsibility for all the issues of the Western Pacific region.

It is true that there is a network of U.S. bases in the western Pacific Ocean. But the Soviet Union itself has also correspondingly built its own network of bases which stretches from Vladivostok through Cam Ranh Bay to the Indian Ocean. Why did IZVESTIYA not mention this? What is more, it was the contention between the two superpowers in the western Pacific region that led to the Soviet Union's support for Vietnam's invasion of Cambodia and the Soviet invasion of Afghanistan; and it was the Soviet support for the invasion of Cambodia that enabled the Soviet Union to easily obtain Cam Ranh Bay from Vietnam. IZVESTIYA exposed what the United States had done, but tried to ignore what the Soviet Union had itself done. Such an attitude can hardly convince others of the Soviet Union's sincerity in its promise to coexist peacefully with the peoples in the Asian Pacific region.

At the moment there are two regional conflicts in the Asian Pacific region, one in Cambodia and the other in Afghanistan, both with the Soviet Union's support or involvement. Therefore, an end to these two conflicts would be a necessary prerequisite to convince the people in the Asian Pacific region of the possibility of peaceful coexistence with the Soviet Union.

HSIN WAN PAO VIEWS SINO-SOVIET RELATIONS

HK250815 Hong Kong HSIN WAN PAO in Chinese 25 Sep 86 p 1

["News Talk" column: "Sino-Soviet Talks; Li Xiannian To Visit Korea"]

[Excerpts] There are two new moves in Sino-Soviet relations. One was the New York meeting of foreign ministers Wu Xueqian and Shevardnadze, and the other is the news that the ninth round of talks between the special envoys of the two countries will be held in Beijing beginning 6 October. [passage omitted]

It appears that the question of regarding the main navigation line of the Heilong Jiang as the international boundary will be the focus of this round of talks. The withdrawal of Soviet troops from Mongolia may also be raised. However, it seems that progress will be difficult in the other two of the three main obstacles in relations between the two countries (the situations in Afghanistan and Cambodia).

Two days ago, speaking at the UN General Assembly, Soviet Foreign Minister Shevardnadze still described the antigovernment guerillas in Afghanistan as "mercenary bandits," and the Cambodian people's struggle of resistance against Vietnam as a war against a "legitimate government." This is clearly not an approach for preparing to resolve the situations in Afghanistan and Cambodia.

Another question that merits attention is that the Soviet Union has recently gained port entry rights in a second military port in the northern part of the Korean peninsula. Originally the Soviet Pacific Fleet had gained North Korea's agreement for entry into Wonsan on the east coast for rest, refitting, and supply. It has recently been rumored that the fleet has gained port entry rights into Nampo on the west coast southwest of Pyongyang).

Nampo is by no means on the normal routes of the Soviet Pacific Fleet; and it is opposite Lushun, China's main naval base. China will probably ask the Soviet foreign minister to explain what this move means.

It is rumored that U.S. Defense Secretary Weinberger will visit China in mid-October to discuss naval matters. China's state President Li Xiannian will visit Korea from 3 to 6 October. All these moves are worth watching.

HEILONGJIANG DELEGATION VISITS USSR'S Khabarovsk

SK262350 Harbin HEILONGJIANG RIBAO in Chinese 7 Sep 86 p 1

[Text] At the invitation of (Duomagaierji), chairman of the Khabarovsk Kray Branch of the USSR-CHINA Friendship Association, a three-member delegation from the Heilongjiang Provincial Branch of the China-USSR Friendship Association, led by Wang Luming, adviser to the Heilongjiang Provincial Branch of the China-USSR Friendship Association and vice chairman of the Northeast China Economic Zone Planning Office, paid a friendly visit to Khabarovsk Kray from 31 August to 5 September.

During its staying in the Soviet Union, the delegation visited plants, schools, farms, hospitals, museums, and Birobidzhan Jewish Autonomous Region.

Members of the delegation were warmly and friendly received by the Soviet people wherever they went. Respectively receiving and feting the delegation were (Bobofu), plenipotentiary of the State Planning Committee in the Far East Economic Zone; (Daniliuke), chairman of the Khabarovsk Kray Executive Committee; and responsible persons of the Khabarovsk Kray Branch of the Soviet Association for Friendship and Culture With Foreign countries, and the local Soviet-China friendship associations. Both parties frankly exchanged views on further developing friendly relations.

The delegation returned home by train on 6 September.

POLAND'S JARUZELSKI WINDS UP VISIT TO PRC

Deng-Jaruzelski Meeting

HK291320 Hong Kong ZHONGGUO XINWEN SHE in Chinese 1046 GMT 29 Sep 86

[Text] Beijing, 29 Sep (ZHONGGUO XINWEN SHE) -- This morning, Chairman Deng Xiaoping of the CPC Central Committee's Advisory Commission met Jaruzelski, leader of the Polish party and government.

Jaruzelski first said cheerfully: The Chinese people have always said that all roads lead to Beijing. That is why I am here.

Deng Xiaoping said: We have had both positive and negative experience in construction over the past 30 years or more. Above all, we have built a socialist country. This is a success. The socialist transformation after liberation was also quite successful. However, we also have learned great lessons. For example, we have not satisfactorily solved the problem of what kind of socialism to build. During the "Cultural Revolution" people even called for a version of socialism characterized by poverty. According to Marxist theory, communism is distribution according to need. If the country is poverty-stricken, what can it offer to distribute? This strange view is a reflection of our incorrect understanding of socialism after the 1950's. Because of the prolonged stress on grasping class struggle as the key link, the improvement of the people's livelihood was neglected.

Deng Xiaoping continued: Since the smashing of the "gang of four," we have corrected these mistakes. After hesitating for 2 years, in 1978 we began shifting the focus of our work to construction. Over the past 7 years, we have made some achievements. However, we have not yet completely shaken off poverty. Foreign friends from various parts of the world have told us that we are quite successful. However, we must not get carried away by our present success. The present is just an initial step.

Deng Xiaoping also informed the visitor of China's objectives, that is, to make China a well-off country by the end of this century and to equal the developed countries in 30 to 50 years, during the next century. He said: By then, we will be able to contribute more to mankind and to make preparations for the fulfillment of our communist ideal.

Deng Xiaoping said: China's reforms may differ from many of Poland's because they are based on our own actual circumstances. However, they share the same overall goals, that is, first, to consolidate the socialist system; second, to develop socialist productive forces; and third, to develop socialist democracy and to arouse the people's enthusiasm. In arousing the people's enthusiasm, the most important thing is to raise the people's living standards.

Deng Xiaoping said: What China is now carrying out is a grand experiment. Mistakes are unavoidable. However, so long as we courageously explore and correct whatever mistakes we have made, we can avoid serious mistakes.

Commenting on the international situation, Deng Xiaoping said: After observing many things, China has altered its two most important views. The first one is its view on war. For quite a long time we held that war was inevitable. Now, we think that it can be avoided. The second view is in its foreign policy. China pursues a peaceful foreign policy of independence and keeping the initiative in its own hands. This is conducive to peace and helps avoid war.

Deng Xiaoping suggested that it would to a pity if the present peaceful environment was not properly used to carry out construction. He said: Only after our country has developed can we show that the socialist system is superior to the capitalist system. Otherwise, we will not be in a position to say this, not to mention fulfilling our ideal.

Jaruzelski briefed his host on Poland's domestic situation and on his views on some international issues, expressed his hope for cooperating with China, and thanked Deng Xiaoping for meeting him. He said: This visit is an important step toward developing Sino-Polish cooperation. The Polish people remember that when Poland Adopted emergency measures during difficult times, China showed its understanding. We value this because only in adversity can one discover genuine friendship.

Their meeting, which lasted for an hour and a half, was held in the Fujian Room of the Great Hall of the People.

Li Xiannian Meets Jaruzelski

OW291418 Beijing XINHUA Domestic Service in Chinese 1316 GMT 29 Sep 86

[Text] Beijing, 29 Sep (XINHUA) -- During a meeting today with Wojciech Jaruzelski, first secretary of the Polish United Workers Party and chairman of the State Council of the Polish People's Republic, President Li Xiannian officially invited Jaruzelski to pay an official visit to China at his convenience.

Jaruzelski, who is making a working visit here, thanked for the invitation. He also invited President Li Xiannian to visit Poland. Li Xiannian accepted the invitation with pleasure.

Li Xiannian said: China and Poland do not have conflict of interests. The two countries have a common aspiration; namely, disarmament and peace. He added: your current visit to China is of great significance. The visit will become an important milestone in the history of the development of relations between the two countries.

Li Xiannian said he was pleased to see the successes the Polish people have made under Jaruzelski's leadership in building and developing their country according to its actual situation.

Jaruzelski said that his visit was important and successful. Although the visit is short, he said, the two sides have had effective [you xiao di 2589 2400 4104] discussions at the highest level. These discussions mark the beginning of a new stage of Polish-Chinese cooperation.

He said: Polish-Chinese relations have a traditional foundation, and the two countries have common socialist objectives. They share similar views on issues such as opposing nuclear arms race, and the two peoples have the same aspirations of safeguarding peace. He said that wherever his delegation went, its members were warmly received by the Chinese Government and people, and they could see with their own eyes that the Chinese people are working hard to accomplish their reform projects. He said the members of his delegation will tell the Polish party, working class, and people of these impressions.

Song Jian Meets Szalajda

OW291640 Beijing XINHUA in English 1628 GMT 29 Sep 86

[Text] Beijing, September 29 (XINHUA) -- Chinese Vice-Premier Tian Jiyun and State councillor and minister in charge of State Science and Technology Commission Song Jian met Zbigniew Szalajda, vice-chairman of the Council of Ministers of Poland on separate occasions here today. Zbigniew Szalajda came to China with the visiting Jaruzelski.

Tian and Szalajda had discussions mainly on the further economic and trade cooperation between China and Poland.

Szalajda said that instead of remaining on its traditional stage, the trade relationship between China and Poland should have a change in essence under the effort of the two sides. He hopes that the two sides should cooperate in fields of mining, machine building, car industry and food processing.

Tian said that Chinese departments concerned will take an active attitude of studying and seeking possibilities for further expanding the bilateral cooperation. The two sides should also explore the possible cooperation in labour contracts besides those mentioned by Szalajda, he added.

Song Jian exchanged views with Szalajda on further scientific cooperation between the two countries at the meeting.

Cultural, Scientific Accord Signed

OW300818 Beijing XINHUA in English 0807 GMT 30 Sep 86

[Text] Beijing, September 30 (XINHUA) -- An agreement for cultural and scientific cooperation between the Chinese and Polish Governments was signed here today. Present at the signing ceremony were Chinese Premier Zhao Ziyang, and visiting Polish leader Wojciech Jaruzelski.

According to the document, the two sides will develop exchanges and cooperation in culture, art, science, education, higher education, press, radio and television, medical and health work, social welfare, sports and tourism.

Chinese Vice-Minister of Culture Liu Deyou and Polish Vice-Minister of Foreign Affairs Jan Majewski signed the agreement on behalf of their respective governments.

Visit Ends, Communique Issued

OW300712 Beijing XINHUA in English 0656 GMT 30 Sep 86

[Text] Beijing, September 30 (XINHUA) -- Chinese and Polish leaders are satisfied with the friendly relations and cooperation, which are based on mutual respect, equality and mutual benefit, between the two countries and two peoples, particularly the smooth progress in their relations in recent years.

This was contained in a press communique issued here today on the visit to China of Wojciech Jaruzelski, first secretary of the Central Committee of the Polish United Workers' Party and chairman of the State Council of the Polish People's Republic.

During his working visit to China from September 28 to 30, Jaruzelski met Chinese party and state leaders Hu Yaobang, Deng Xiaoping and Zhao Ziyang. The meetings proceeded in an atmosphere of "sincerity, mutual respect and mutual understanding," the communique says.

Chinese and Polish leaders spoke highly of the two countries' political dialogue and they held that such dialogue should continue.

The two sides attached great importance to the ties established between the Chinese National People's Congress and the Polish parliament and held that relations between the two countries' social and political organizations should be strengthened so as to help increase the traditional friendship and mutual understanding between their peoples, the communique says.

The two sides also expressed satisfaction with the rapid growth in the bilateral economic, trade, scientific and technological relations.

They stressed the necessity of developing new and more effective ways of cooperation, including cooperation in production and joint ventures.

They decided to strengthen the two countries' contacts in the fields of culture, art, science, education, public health and sports and between press institutions, and expand the content of cooperation in these fields.

They stressed that there are good prospects for the two countries to expand cooperation in various fields.

During Jaruzelski's visit, the two sides signed an agreement on cooperation in culture and science.

Chinese and Polish leaders exchanged views on a wide range of international issues, deeming it most urgent for all the countries to stop the arms race and keep world peace. They also believed that all the countries, despite their unequal size and strength, could and should contribute to world peace. Both sides said the international relations should be based on peaceful coexistence, no use of arms nor threat of force. The conflicts and tensions in various regions should be settled as far as possible through political means, they added. They expressed their application of and support for the role of the Non-Aligned Movement in striving to eliminate the danger of war, build up a new international economic order and find a fair solution to debt problems. They also spoke highly of the achievements in the recent Harare summit of the non-aligned countries.

The Chinese and Polish leaders also briefed each other on the social and economic situation in their own countries, and had in-depth exchange of experiences in socialist construction, especially in economic restructuring.

The Chinese side highly appraised achievements made by the Polish people in recent years in overcoming difficulties, stabilizing social and political situation, restoring and developing national economy and carrying out economic reform.

I. 30 Sep 86

H 5

PRC INTERNATIONAL AFFAIRS
EASTERN EUROPE

The Polish side paid high tribute to the Chinese people's achievements in the socialist construction and expressed its appreciation of their successes in the implementation of the modernization program and development plan.

Jaruzelski invited Hu Yaobang, Zhao Ziyang and Li Xiannian to visit Poland. The invitations were accepted with pleasure.

The Chinese leaders invited Jaruzelski to come to China again for an official visit at a time convenient to him. Zhao Ziyang asked him to convey his invitation to Zbigniew Messner, chairman of the Council of Ministers, to visit China. These invitations were all accepted with pleasure.

Zhao Ziyang Farewells Jaruzelski

OW300826 Beijing XINHUA in English 0810 GMT 30 Sep 86

[Text] Beijing, September 30 (XINHUA) -- Wojciech Jaruzelski, first secretary of the Polish United Workers' Party Central Committee and chairman of the State Council of the Polish People's Republic, wound up his working visit to China and left here for home this morning.

Earlier, Chinese Premier Zhao Ziyang bade him farewell at the Diaoyutai State Guest House.

Zhao said Jaruzelski's "brief, successful" visit was of great importance to the further friendly cooperation between the two countries."

The talks between Jaruzelski's and the Chinese leaders have been beneficial, Zhao said.

He said Chinese leaders are glad to be acquainted with Jaruzelski, whose China visit has raised the Sino-Polish contacts to the top level.

Contacts between the top leaders of the two countries are important to the mutual understanding and mutual trust, he said. Zhao expressed the belief that such contacts would continue.

Jaruzelski considered his China visit "fruitful." "We share the common sincere wish to develop friendship and cooperation between the two countries and respect each other's choice of ways to develop the national economy of their own countries," he said.

The talks he held with the Chinese leaders, he said, were candid, concrete and full of initiatives.

The delegation was "deeply impressed" with China's rapid development, and it attached great importance to Sino-Polish exchanges, he said. He expressed the belief that Sino-Polish cooperation in various fields would continue.

Seeing Jaruzelski and his party off at the airport were Wu Xueqian, Chinese state councillor and foreign minister, Yu Hongen, co-chairman of the Sino-Polish Committee for Cooperation in Economy, Trade, Science and Technology and minister of coal industry.

I. 30 Sep 86

H 6

PRC INTERNATIONAL AFFAIRS
EASTERN EUROPE

Jaruzelski Cables Thanks

LD300916 Warsaw PAP in English 0830 GMT 30 Sep 86

[Text] Beijing, Sept. 30 -- Upon his departure from Beijing Wojciech Jaruzelski sent the following cable:

Comrade Hu Yaobang

Secretary General of the Central Committee of the Chinese Communist Party

Comrade Li Xiannian

President of the People's Republic of China

Comrade Zhao Ziyang

Premier of the State Council of the People's Republic of China

Beijing

Leaving the hospitable capital of your country, I would like to thank you for the cordial reception extended to us by the highest authorities of the People's Republic of China and you yourselves, dear comrades.

I am convinced that the decisions made in the course of our talks will contribute to the tightening of traditional ties of friendship and development of fruitful cooperation between both our socialist states.

I wish the befriended people and Communists of China and you personally new achievements in socialist building and in efforts in favour of consolidating peace and cooperation between nations.

Wojciech Jaruzelski

First Secretary of the Central Committee of the Polish United Workers Party, President of the Council of State of the Polish People's Republic.

AFP Report Notes Controversy

HK300734 Hong Kong AFP in English 0657 GMT 30 Sep 86

[Text] Beijing, Sept 30 (AFP) -- Polish leader Wojciech Jaruzelski left here Tuesday after a whirlwind visit during which Poland became the first close Soviet ally in more than 25 years to restore direct Communist Party ties with China.

Calling the Polish leader's 46-hour visit a "big success," Chinese Foreign Minister Wu Xueqian said Gen. Jaruzelski and Chinese leaders had discussed the issue of the relations between the Polish United Workers' Party and the Chinese Communist Party (CCP).

"Naturally we dealt with this subject," Mr. Wu told reporters at the airport after Gen. Jaruzelski had boarded the special plane taking him back to Warsaw.

Polish sources said Gen. Jaruzelski's plane would make a refueling stop in Novosibirsk in the central Soviet Union and not be making a stopover in Moscow as earlier reported.

CCP chief Hu Yaobang, President Li Xiannian and Premier Zhao Ziyang all accepted Gen. Jaruzelski's invitation to visit Poland. The invitation was extended at the first meetings since the early 1960's among leaders of China and a Soviet bloc country other than Romania.

Mr. Wu said that Chinese and Polish leaders had exchanged experiences on economic development in their countries. "They shared some common views on the subject, as well as on international problems," he said.

"As the Chinese proverb goes, when the water starts to flow, a canal is opened," he said.

During his meeting with Gen. Jaruzelski -- which constituted de facto resumption of party-to-party relations -- Mr. Hu said that improving relations between China and Eastern bloc countries would exert a positive influence on Sino-Soviet relations, a source close to the Polish delegation said.

Shortly before his departure, Gen. Jaruzelski told Mr. Zhao that Sino-Polish cooperation would henceforth develop "in all fields" and that it was "beneficial to the cause of peace and of socialism," sources said.

Beijing and Warsaw Monday signed an agreement on cultural and scientific cooperation, covering the arts, education, the press, radio and television, health, sports and tourism.

Sources close to the Polish delegation said Chinese leaders had received Gen. Jaruzelski with great warmth. Controversial issues such as Cambodia and Afghanistan -- which Beijing says are obstacles blocking normalization of relations with Moscow -- were not raised during his visit, they said.

East German leader Erich Honecker is due to visit Beijing in late October, and is expected to be followed by senior officials from other East European countries.

The visits are the result of the thaw in Sino-Soviet relations of the past few years.

TELEVISION REPORTS CPC'S 28 SEP PLENARY SESSION

OW291416 [Editorial Report] Beijing Television Service in Mandarin on 28 September shows two separate films on the 6th Plenary Session of the 12th CPC Central Committee being held in Beijing on 28 September. The two films -- a 5-minute film shown during the regular 1100 GMT newscast and a 25-minute news feature shown at 1135 GMT immediately following the newscast -- only mention "Hu Yaobang, Deng Xiaoping, Zhao Ziyang, Li Xiannian, and Chen Yun, Standing Committee members of the Political Bureau of the CPC Central Committee." More than 40 CPC and PRC leaders -- although neither are mentioned by the announcers nor identified by film captions -- are shown attending the 28 September plenary session held at the Great Hall of the People. Two announcers summarize the plenary session's communique and read "excerpts" of the session's resolution on the guiding principles for building a socialist society with an advanced culture and ideology.

Hu Yaobang, Deng Xiaoping, Zhao Ziyang, Li Xiannian, and Chen Yun are given individual close-up treatment in this order. No other leaders attending the session are shown in individual closeup shots. The films show Hu Yaobang as the one and only speaker at the session. The five Standing Committee members of the Political Bureau are shown sitting at a long table facing 18 rows of seats in a large conference room. Deng Xiaoping is seen sitting in the center. Hu Yaobang and Li Xiannian are to the left of Deng Xiaoping and Zhao Ziyang and Chen Yun are to the right. The five top leaders are sitting with their backs to a large CPC emblem hanging on a heavy curtain. The CPC emblem is flanked by 10 red flags. These leaders are shown raising their hands to "adopt" the session's resolution and are also shown applauding the "adoption" of the session's communique.

The following leaders, shown sitting in different rows, are neither mentioned by the announcers nor identified by film captions. Peng Zhen is sitting in the center of the front row and facing Deng Xiaoping. Sitting on the left-hand side of Peng Zhen are Xi Zhongxun, Tian Jiyun, Yang Shangkun, Wu Xueqian, Hu Qiaomu, Yao Yilin, Qin Jiwei (in PLA uniform), Chen Pixian, and Hao Jianxiu, in this order. Sitting on the right-hand side of Peng Zhen are Wan Li, Fang Yi, Qiao Shi, Yang Dezhi (in PLA uniform), Yu Qiuli (in PLA uniform), Hu Qili, Ni Zhifu, Chen Muhua, Deng Liqun, and Wang Zhaoguo, in this order.

The camera pans the following leaders, sitting in an unidentified row: Ulanhu, Wei Guoqing, Huang Hua, Yang Yichen, Kang Keqing, Ma Wenrui, Wang Enmao, and Qian Xuesen (in PLA uniform). Another pan shot shows the following leaders sitting in an unidentified row. Bo Yibo, Song Renqiong, Wang Shoudao, Wu Xiuquan, Liu Lantao, Jiang Hua, Li Desheng, and Xiao Ke. Yang Chengwu and Li Ruihuan are shown seated in the fifth row. Zhang Jingfu is shown seated in the sixth row. Xu Huizi is shown seated in the ninth row. Seypidin Aizezi is shown seated in the 10th row. Another pan shot shows Duan Junyi, Ji Pengfei, Cheng Zihua, and Wang Heshou sitting in an unidentified row. Chen Xilian is also shown sitting in an unidentified row.

The 5-minute film shown during the newscast ends with a break in satellite transmission, lasting about 1 minute.

SONG RENQIONG, BO YIBO CHAIR ADVISORY PLENUM

OW291521 Beijing XINHUA in English 1458 GMT 29 Sep 86

[Text] Beijing, September 29 (XINHUA) -- The Central Advisory Commission of the Chinese Communist Party held its Sixth Plenary Session here Sunday.

Commission Vice-Chairmen Bo Yibo and Song Renqiong presided over the meeting attended by 160 members.

According to a session communique issued today, participants voiced their unanimous support for the resolution "Guiding Principles for Building a Socialist Society With an Advanced Culture and Ideology," adopted the same day by the sixth plenary session of the party's 12th Central Committee.

The participants said that they would join the party to earnestly study and implement the resolution, which is described as a guideline for building China into a socialist society with an advanced culture and ideology in the new historical period.

Vice Chairman Bo gave a speech during the meeting on the implementation of the new resolution.

The participants also endorsed the Central Committee's decision to convene in October next year for the 13th national congress of the party.

RENMIN RIBAO ENCOURAGES STUDY OF CPC RESOLUTION

OW292320 Beijing XINHUA Domestic Service in Chinese 1643 GMT 29 Sep 86

[Text] Beijing, 29 Sep (XINHUA) -- RENMIN RIBAO 30 September editorial: Give Top Priority To Studying the Document

On the eve of the 37th anniversary of the founding of the Nation, the "Resolution of the Central Committee of the Communist Party of China on the Guiding Principles for Building a Socialist Society With an Advanced Culture and Ideology", adopted at the 6th Plenary Session of the 12th CPC Central Committee has been made public. This is an instructive document which will healthily guide China to forge ahead in bringing about cultural and ideological progress. Its publication is a major event in China's political life.

What is a culturally and ideologically advanced socialist society? How can we promote socialist culture and ideology? These are issues that the whole party and all the people in the country will be contemplating and exploring after the task of enhancing the country's cultural and ideological progress is included in the daily agenda. In the theoretical field during the past few years, we have continuously broadened and deepened our understanding in promoting cultural and ideological progress. We have also continuously been innovative in the course of carrying out this practice. Naturally, this is, after all, a new subject. The whole party and those inside and outside the party are not yet very familiar with this subject and are still exploring. Since this is an exploratory phase, it is impossible to see all the issues clearly. That is only natural. This resolution adopted by the 6th Plenary Session of the 12 CPC Central Committee has summarized the practical experience of the whole party and all the people throughout the country; pooled the wisdom of the whole party, and assimilated the suggestions of many comrades outside the party. It has also provided explicit answers to questions raised by many comrades in their thoughts and in their actual work. It is a fine Marxist document.

Right now, the most important task facing the whole party and the people of all nationalities in the country is to earnestly study deeply, examine, and clearly comprehend the basic viewpoints expressed by the "resolution" and strive to understand them accurately and in an overall manner.

In the past, a great deal of time was spent in studying documents issued by the central authorities. Many of the units have studied them well, while some units and comrades have not studied them well. The main issue is that they fail to understand them in close connection with their thoughts and actual work. They only study perfunctorily without trying to understand them. In studying this document, we must seriously examine and explore it. Under no circumstances should we hurriedly issued directives and orders without studying them well. Party and government organs must not act like this, nor should propaganda units. Those who act like this are only paying lip service. They are useless and harmful. Only by earnestly studying and exploring, understanding the basic viewpoints and guidelines and the main requirements of the "resolution" and fully realizing the actual situation, will it be possible to link theory with practice, make correct preparations for our work and contribute to promoting the cultural and ideological, as well as material progress.

The Chinese nation had a fine ancient civilization that played a leading role in the world. The Communist Party of China and the people of all nationalities throughout China have a glorious, revolutionary tradition. By uniting even more closely and forging ahead courageously and unremittingly along the path opened up by the 3d Plenary Session of the 11th CPC Central Committee and toward the direction pointed out by the 6th Plenary Session of the 12th CPC Central Committee, the whole party and the people of all nationalities in the country will definitely be able to build a highly developed socialist society with cultural and ideological, as well as material progress, while living up to the expectations of our predecessors and our times.

QIAO SHI PREDICTED TO SUCCEED HU YAOBANG

OW291439 Tokyo KYODO in English 1431 GMT 29 Sep 86

[Text] Hong Kong, Sept. 29 KYODO -- Qiao Shi, member of the Chinese Communist Party Politburo, has emerged as the likely candidate to succeed current party General Secretary Hu Yaobang, according to reports here Monday.

The CHENG MING, a Chinese-language journal published in Hong Kong, reported that Beijing Government sources have named Qiao Shi as the possible candidate to head the Central Committee Secretariat, following the 13th party congress scheduled for October 1987.

The report carried in the journal's October 1 edition also says that Political Bureau members charged with determining who will succeed Hu Yaobang have decided that Hu Qili, second-in-line to the position until now, lacks the experience necessary for the post.

According to the article, while Politburo members appreciate Hu Qili's contributions to reforms in the political system, they are not confident of his leadership qualities.

On the other hand, Qiao Shi commands not only the confidence of both Chinese leader Deng Xiaoping and Hu Yaobang, but has gained valuable party experience through his positions on the influential Politburo, the Central Committee Secretariat, and as head of the Central Commission of Political Science and Law.

PLA DAILY ON VALUE OF SPIRITUAL CIVILIZATION

OW300319 Beijing Domestic Service in Mandarin 2315 GMT 29 Sep 86

[Report on 22 September JIEFANGJUN BAO article by (Zhuge Lizhao): "Think Over the Strategic Importance of Building a Spiritual Civilization"]

[Text] The article says: One would be biased if one were to think that strengthening the building of a spiritual civilization is aimed only at solving new, complicated problems occurring in the course of carrying out reforms and opening to the outside world. We call for strengthening the building of socialist spiritual civilization under the following historical requirements:

First, the stress of work for the whole party has been shifted to modern economic construction, and the basic task for the people throughout the country is to concentrate their efforts on the development of the social productive forces.

Second, we must carry out reforms in order to achieve modernization.

Third, opening to the outside world has become one of our unshakeable national policies.

Fourth, in undertaking the modernization drive, carrying out reforms, and opening to the outside world, we must adhere to the socialist orientation.

This shows that the building of spiritual civilization is now stressed not because there are serious problems in this regard but because higher requirements are set for the building of spiritual civilization as a result of the modernization drive, the reform of the economic structure, the reform of the political system, and the opening to the outside world. They include requirements for fostering an ideology and ideas meeting the needs of modernization.

How can we coordinate our efforts to build a spiritual civilization with those to carry out reforms and promote, instead of impeding or restricting the latter with the former? How can the building of a spiritual civilization help our people learn and acquire the great achievements of modern civilization in several decades, integrate them with our actual conditions, and test and develop them in practice? All these require us to realize the strategic importance of building a socialist civilization and to understand correctly the requirements for the building of a spiritual civilization set by a new situation in undertaking the modernization drive, carrying out reforms, and opening to the outside world. In addition, we should also firmly foster this idea: Now and for a fairly long time to come, we must undertake economic construction as our central task, resolutely carry out the reform of the economic structure and the political system, and firmly strengthen the building of spiritual civilization.

The building of a socialist spiritual civilization is a task of great importance concerning the success or failure of socialism. History has entrusted us with the responsibility to carry out this important task well.

MARSHAL NIE RONGZHEN LAUDS LONG MARCH SPIRIT

OW270811 Beijing XINHUA Domestic Service in Chinese 0037 GMT 25 Sep 86

["Newsletter" by XINHUA reporter Guo Diancheng: "The Spirit of the Long March Will Shine Forever -- Visiting Marshal Nie Rongzhen"]

[Excerpts] Beijing, 25 Sep (XINHUA) -- "Your visit is welcome. This year marks the 50th anniversary of the victory of the Long March. I am very happy." "If you want to take pictures, please take good ones to show the Long March spirit of a veteran Red Army fighter."

On the morning of 13 September when we entered Marshal Nie Rongzhen's office, he warmly greeted us and wittily made the above remarks. [passage omitted]

Marshal Nie Rongzhen was one of the leaders during the early period of our party and army. In the central base areas at that time he had assumed the post of deputy director of the General Political Department of the Red Army and was later appointed political commissar of the Red Army's First Army Group. He led this valiant main force of the Red Army to fight on many fronts and win great war deeds for the party and the people.

Recalling past events, he said with emotion: "On 11 October 1934, the Central Military Commission issued an order for the Long March. On 16 October, the Central Red Army left the Ruijin area. When we crossed over the Gandu He at sunset, I was, like many Red Army commanders and fighters, very emotional and repeatedly looked back to gaze at the central base area built by commanders and fighters of the Red Army and the masses with their blood and lives. We waved farewell to our fighting comrades and the local people." [passage omitted]

After pausing for a while, Marshal Nie said: "Reviewing past events, today we can see that although the consequences of the erroneous line were extremely serious and the 10,000 li marching road extremely arduous, the Zunyi Conference changed the party's leadership and established Chairman Mao's correct leadership. It was a great historical turning point and our army quickly changed from being passive to taking the initiative." [passage omitted]

Recalling the Zunyi Conference, he said: After crossing the Xiang Jiang, a wound on my foot was festering, and I had to rely on a stretcher for the march. Sometimes I marched with the column of the Central Military Commission. At that time, Comrade Wang Jiaxiang also had to use a stretcher due to his wound. We often exchanged our opinions and were convinced that facts proved that Bo Gu and Li De were incapable and we should let Comrade Mao Zedong assume leadership. This was also a question being considered by the broad masses of Red Army commanders and fighters at that time. Comrade Zhou Enlai, who was the principal responsible person of the Central Military Commission, had realized that Comrade Mao Zedong's opinions were correct and relieved Li De's military command authority before the conference. The attitude of Comrades Zhou Enlai and Wang Jiaxiang played a key role in achieving success at the Zunyi Conference. The conference was held in a tense mood. Mao Zedong was the first speaker to systematically criticize the mistakes of Bo Gu and Li De. Wang Jiaxiang was the next speaker and supported Mao Zedong. This was why Mao Zedong said during the "Great Cultural Revolution" that Wang Jiaxiang cast "a key vote" at the Zunyi Conference. The overwhelming majority of the Zunyi Conference participants, including Bo Gu, understood and took the whole situation into consideration. They were loyal to the cause of the party and highly demonstrated the Marxist principle.

The conference adjusted the central leading organ and ended the rule of "left" line in the party Central Committee. People praise the conference as the greatest turning point for our party, our army, and the Chinese Revolution. They do so quite appropriately. [passage omitted]

Recalling the battles during the Long March, Marshal Nie was full of pride and enthusiasm. He said: When we crossed Dadu He, Comrade Liu Bochong and I inspected the historical scene on the river bank and were deeply proud of the dauntless fighters of the Red Army. When the Red Army took Luding Bridge, Comrade Liu Bochong was greatly excited. He could not help stamping his foot and saying: "We have made so much effort to take Luding Bridge. Now we have won a victory!" I also emotionally said: "We have won a victory!"

Our will was tested by the arduous situation. The victory was not easily won. Marshal Nie said: During the Long March, the Red Army broke through numerous enemy barricades and went through ten thousand crags and torrents. The ideals of seeking liberation and the spirit of arduous struggle enabled the Red Army to overcome all kinds of difficulties. This great practice has proven that under the correct leadership of the party, fighters with communist beliefs are invincible.

Marshal Nie recently wrote an article, in which he said: "For 50 years, the poetic history of the Long March has been the valuable spiritual wealth of the Chinese people. It has encouraged millions of revolutionaries to struggle for the cause of the people's revolution and won a series of brilliant victories." "Since the convocation of the 3d Plenary Session of the 11th CPC Central Committee, people of our country have embarked on the new Long March for the goal of realizing the four socialist modernizations. This road is also very arduous. We must inherit and carry forward the revolutionary spirit and honorable tradition of the Red Army's Long March in order to achieve our desired goal." [passage omitted]

We spontaneously remembered a past event: During the spring festival in 1982, Song Renqiong, Yang Shangkun, and other central leaders went to a hospital to visit Marshal Nie who had just recovered from a serious illness. Upon meeting them, Marshal Nie said: "This time I went to the Palace of Hell and returned. I think I will leave the hospital after the days of the Spring Festival." Comrade Yang Shangkun advised him not to do so and said: "Please don't be in a hurry to leave the hospital." Marshal Nie said: "I still have to take part in the new Long March. I cannot stay in the hospital." Yang Shangkun said with a smile: "Right, we have to break through Lazikou." Marshal Nie said: "Go to Wuqi Township." Song Renqiong said: "We will also go to Wayaobao." Yang Shangkun said: "We will also cross the Huang He and go east." At that time, all the people there were deeply moved by the encouraging words of those veteran comrades.

Over the last 4 years, Marshal Nie has made major contributions to the cause of the party and people with a determined mind and spirit of devotion on the road of the new Long March. He read newspapers, documents, and people's letters and made contact with various people. He promptly made suggestions to the party Central Committee whenever he learned of problems in the work of the party and state. Once, he saw letters from a number of scientific and technological personnel. Those letters reflected a situation in which some units discriminated against intellectuals politically and there were problems such as some scientific and technological cadres' outmoded knowledge and mistakes in deciding job titles for those cadres. After investigations and study, he wrote a letter to the Bureau for Scientific and Technological Cadres under the State Council. The letter listed problems reflected by scientific and technological cadres and proposed some suggestions for properly solving those problems.

I. 30 Sep 86

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CHINA
PRC NATIONAL AFFAIRS

Comrade Hu Yaobang saw the letter and held that Marshal Nie's suggestions were very important and asked departments concerned to seriously discuss the matter and promote the implementation of the party's policy for intellectuals. As vice chairman of the Central Military Commission, Marshal Nie was very much concerned about army building and always thought about the difficult living condition of frontier fighters. Last year, he expressed many opinions on military building and the new situation and new problems as a result of the streamlining and building the army. His suggestions were accepted by the Central Military Commission, and some major problems were solved.

At the conclusion of our visit, Marshal Nie held a reporter's hand and said: "On the occasion of commemorating the 50th anniversary of the victory of the Red Army's Long March, please convey my greetings to all the heroes who took part in the Long March. I also wish to express my deep grief in mourning the heroes who sacrificed their lives in the Long March!"

YANG SHANGKUN AT CEREMONY FOR 'LONG MARCH' ALBUM

OW270128 Beijing XINHUA in English 1732 GMT 26 Sep 86

[Text] Beijing, September 26 (XINHUA) -- "China -- the Long March", a large photo album, was published here today in celebration of the 50th anniversary of the success of the famous Long March (1934-35).

The album, consisting of more than 350 photos, is published by the China National Publishing Industry Trading Corporation, the China Photographic Publishing House and the Intercontinental Publishing Corporation.

The Long March was a major strategic movement of the Chinese workers and peasant's Red Army which succeeded in reaching the revolutionary base in northern Shaanxi after traversing 11 provinces and covering 12,500 kilometers.

Among the 300 people attending today's publishing ceremony were Yang Shangkun, vice-chairman of the Military Commission of the Central Committee of the Chinese Communist Party, Yu Qiuli, Director of the General Political Department of the Chinese People's Liberation Army, some veteran Red Army soldiers and well-known figures from cultural, art and publishing circles.

Before the ceremony, Chinese Vice-Premier Li Peng also had rushed to the occasion to extend his congratulations before he left for an African tour this evening. Li told the album's editor-in-chief, Mary-Dawn Earley, that the album would surely produce a great impact in China and the world as a whole.

Li praised Earley and others for very good work. Earley said that she was proud of the work, which she considered important.

Some 350 works in the album were selected from 100,000 photos by 20 photographers from China, New Zealand, Australia, Italy, Switzerland, the United States, France, Federal Germany, Britain and Hong Kong. They travelled and worked along the road of the Long March. Anthony Lawrence, a well-known British Asia expert, wrote the text and captions for the album.

The album, which was first sponsored for joint work by former Australian ambassador to China Stephen Fitzgerald, is published in several languages including Chinese, English, German, French, Japanese, Italian and Spanish.

Chinese painter Zhao Zhunwang did a special landscape works as a gift for verteran Red Army soldiers. The Chinese minister of national defense Zhang Aiping wrote the inscription for the painting, which is 18 meters long and two meters wide.

FACTORY DIRECTOR FUNCTIONS AS 'CENTER' OF FIRM

HK260842 Beijing RENMIN RIBAO in Chinese 25 Sep 86 p 1

[Commentator's article: 'Harmony Between the General and the Prime Minister' Alone Is Not Enough"]

[Text] When the factory director responsibility system was adopted, some people said: In an enterprise, so long as the factory director and the party secretary are on good terms, or there is a "harmonious relationship between the general and the prime minister," it will not be too difficult to manage the enterprise well, and it does not matter what leadership system is adopted.

In fact, this viewpoint underestimated the necessity of adopting the factory director system. Admittedly, things must be handled by people; but people must act in light of certain rules and regulations and must follow certain norms. As a saying goes, without the ruler and the compasses, one cannot draw a straight line and a circle. Similarly, without a good system, our work cannot be scientific, systematic, and stable. Comrade Deng Xiaoping pointed out long ago: A good system can prevent bad people from throwing their weight around; while a bad system may hinder good people from doing good things to the full and may even turn good people into bad people. His remarks are of profound significance. In the past, in order to create better living and working conditions, people first did away with the old and irrational systems and then established new and reasonable systems. Since the founding of the PRC, we have had some painful experience in this regard. We used to attach too much importance to "rule by man" and neglected the role of laws and a sound legal system. This is not only the case with the whole country, but is also the case of individual units. We have adopted a variety of enterprise management systems in trial before, but practice has shown that the factory director responsibility system is better suited to the requirements of managing modern enterprises under the conditions of a planned socialist commodity economy. Its role can never be substituted by the good personal relations between the main leaders in an enterprise.

Of course, we do not deny the important role of a good personal relationship between the factory director and the party secretary in an enterprise. What we emphasize here is that we must not deny the more important role of a correct system. In fact, when we pursue the factory director responsibility system, we need a good relationship between the factory director and the party secretary. We also want to make it clear here that by quoting the old saying of a "harmonious relationship between the general and the prime minister," we merely mean that the factory director and the party secretary should be united and should have mutual understanding, and we do not mean that their relationship should be equated with the relationship between the general and the prime minister. After the adoption of the factory director responsibility system, the factory director is the center of an enterprise, or is the "number one man" in an enterprise as people often say.

Thus, when the old management system, under which the party secretary is the "number one man," is replaced with the new management system, there may be the following phenomenon: The party secretary who was previously the first in command will have to give his position to the factory director and move himself to second in command. This requires that the party secretary and the factory director trust and understand each other. Therefore, the "harmonious relationship between the general and the prime minister" will be an important condition for the smooth transition from the old system to the new system.

After the adoption of the factory director responsibility system, we should pay attention to the establishment and improvement of various specific backup systems. On the one hand, we should stress a "harmonious relationship between the general and the prime minister" in day-to-day work; on the other hand, the party-administration relationship inside an enterprise must be regulated in light of some systems. This is because the party-administration relationship is not equal to the personal relationship between the party secretary and the factory director, but is the relationship between the party organization and the administrative organization. In order to properly handle this relationship, we must have a set of scientific rules and regulations, which clearly specify the position, role, functions, and powers of the party secretary and the factory director so that they can perform their own duties and better cooperate with each other. A strict and reasonable system will provide a reliable organizational guarantee for a durable "harmonious personal relationship between the general and the prime minister." On the contrary, an unsound system under which people may pass the buck to each other will certainly affect the unity of the enterprise leadership. If we lay too much emphasis on the personal relationship between enterprise leaders, the party-administration relationship may be put on the basis of personal relations. Once there is any personnel change, or discord appears between the party secretary and the factory director, enterprise management will be adversely affected. Enterprise leadership based on personal relations between enterprise leaders is not suited to the requirements of modern mass production. Therefore, we say that it is far from enough to merely emphasize a "harmonious relationship between the general and the prime minister." Our urgent task at this moment is to establish and perfect the factory director responsibility system as soon as possible, and improve a set of backup systems and concrete measures.

With a sound system and a good personal relationship between enterprise leaders, the factory director responsibility system will be effectively put into practice and enterprises will achieve better results in their business and production.

BANKRUPT LIAONING FACTORY'S ASSETS AUCTIONED OFF

OW260901 Beijing XINHUA in English 1742 GMT 25 Sep 86

[Text] Shenyang, September 25 (XINHUA) -- Assets of a bankrupt factory in northeast China's Liaoning Province were sold for 200,000 yuan (about 50,000 U.S. dollars) in the first property auction in China here today.

The factory was sold as an entity, and the engineering section of the Shenyang Gas Supply Company beat out 30 work units and individuals to win the bid.

An official from the supervisory committee which called for the auction said creditors will be informed of the assessment and repaid with the 200,000 yuan, the remainder exempt.

The Shenyang Explosion-Proof Equipment Factory, which made aluminum products used in hazardous occupations, had fixed assets worth 302,000 yuan (81,500 U.S. dollars). It was declared bankrupt August 3 after failing to respond to a government order to repay debts worth 503,000 yuan (136,000 U.S. dollars) within a year.

Since then, the factory's 72 workers have been looking for new jobs while receiving unemployment benefits equal to 75 percent of their original wages.

The decision to put the factory on auction was made in late August by a supervisory committee formed by representatives of the Shenyang City government and the factory's creditors and former workers, which took over the factory after it was declared bankrupt.

Bidding began at 150,000 yuan at today's auction. When the Shenyang Gas Supply Company's engineering section went for 200,000 yuan, no one bid further and the hammer fell. Then and there, the representative from the gas supply company put the check on the table and signed the auction agreement, which was countersigned by a representative of the supervisory committee before a notary public.

STOCK ISSUANCE BY TOWNSHIP FIRMS SPREADS

HK200233 Beijing CHINA DAILY in English 20 Sep 86 p 2

[By staff reporter Guo Zhongshi]

[Text] If the present experiment among rural and township enterprises of issuing stock continues to be successful as it now seems, it will be gradually spread across the country early next year, according to an official of the State Township Enterprise Bureau.

The new system is spreading rapidly as the number of rural industries increases. Among its advantages, a bureau spokesman said, are:

- Encouraging industrialization of rural areas.
- Helping enterprises to raise capital.
- Strengthening the role of workers as "the real masters of their workplaces."
- Extending the links of enterprises with other enterprises, areas and people.

Although there are many variations, the survey found the enterprises are basically doing the same thing -- selling or distributing stock, which gives owners the right to elect a board of directors who select managers and set policy, Zong Jingyao, an official of the administration department of the bureau, explained.

However, not all stock is sold for cash, nor does it all pay dividends.

There are two kinds of stock -- "cash" and "dry."

"Cash stock" can be purchased by people both inside and outside an enterprise. It has a double purpose, Zong said. "It links workers directly with management, and it promotes 'horizontal association' -- that is, it spreads outward to others a concern for the welfare of the enterprise."

At present, Zong said, such shares may not be traded and their annual dividends may not exceed 15 percent of the amount paid for them.

Sale of such stock helps enterprises to raise money for technical improvement and for expansion of production.

One paperboard factory in Beipei on the outskirts of Chongqing City, Sichuan Province, doubled its output and increased its annual profit by 669,000 yuan (about \$181,000) after buying new production lines with capital raised from sale of stock.

"Dry shares" are distributed only to members of co-operative enterprises, often agricultural enterprises. There is no charge for them, but they may not be sold or transferred, except by inheritance. They pay no dividends.

As most workers in township enterprises are also part-time farmers, "dry shares" are usually distributed in a way historically familiar to Chinese farmers -- according to the number of workers, or the number of family members of workers, or the amount of farmland they contract to.

All shareholders have the right to be involved in major management decisions, including hiring and firing, profit distribution, and salaries.

The biggest hurdle to development of the stock system, Zong said, is that some Party and government officials either do not see its significance, or are opposed to it because it lessens their authority.

There have also been some problems in distribution of shares, setting of dividends, and election of directors.

In some cases, individuals have been refused shares for personal reasons. Some dividends have far exceeded the legal limit. And some persons have been named directors on the basis of the number of shares they held.

However, Zong said, the value of the stock system is being gradually recognized by more and more people and he expects it to spread.

CHEN MUHUA DISCUSSES 'NEW BANKS', REFORMS

OW181755 Beijing XINHUA in English 1544 GMT 18 Sep 86

[Text] Beijing, September 18 (XINHUA) -- China has made progress in reforming its financial system but it still has much more to do in this respect.

This remark was made by Chen Muhua, state councillor and president of the People's Bank of China, according to the overseas edition of today's "PEOPLE'S DAILY".

Over the past few years, Chen said, China has reformed its banking system by setting up a number of new banks, with the People's Bank of China playing the leading role.

As the central bank, the People's Bank of China now has only three main functions: Overseeing banking policies, supervising the business of banking and guarding the stability of the currency. It no longer extends credit to enterprises and individuals.

The new banks, such as the Construction Bank and the Agricultural Bank, most operate like independent economic entities and be responsible for their own profits and losses. "This is a big step in China's efforts at financial reform, as it will stimulate competition among the banks for deposits from citizens," Chen commented.

Yet, more efforts should be made to step up the reform, which has just started, Chen said. She specified the aims as:

-- The establishment of a forceful and more flexible banking system which will promote the raising and consumption of funds, and maintain a basic balance of supply and demand.

-- The setting up of a multi-channel and diversified credit system to encourage funds to flow among different banks and localities, and set up different kinds of financial centers and money markets suited to China's conditions.

-- The perfection of the financial system, with the state banks playing the leading role and the nongovernmental financial organizations as backup.

-- The formation of a modernized administrative system with more qualified personnel and modern equipment to provide better service.

In the next two years, Chen said, the reform will focus on overall financial control, interest rates, and the streamlining of the financial organizations, short-term money markets and administration of foreign exchange.

"Vigorous action must be taken to push the reform forward, but the steps must be steady ones," she said.

Launches New Bank Services

OW291217 Beijing XINHUA in English 1048 GMT 29 Sep 86

[Text] Beijing, September 29 (XINHUA) -- As of October 1 Chinese travellers will no longer have to carry large bundles of cash thanks to a number of new measures being introduced by the Industrial and Commercial Bank of China (ICBC).

Along with travellers cheques, the bank will also introduce inter-city savings deposits and withdrawals, bank drafts, direct telegram remittance and transfer, and personal remittance.

All these services will also be accessible to foreign or Overseas Chinese travellers in China who use renminbi -- the Chinese currency, an official of the ICBC told reporters today.

The new travellers cheques, the first personal cheque ever available to Chinese customers, can be purchased at 40 savings offices in 10 cities including Shanghai, Guangzhou, Nanjing, Chongqing and Harbin. Customers will be able to cash them at any of this bank offices. The interest-free travellers cheques expire at the end of the following month.

The cheques will be issued in denominations of 100, 500 and 1,000 yuan and a small commission will be charged for each depending on their value.

Previously, bank customers in China could only withdraw from the savings office, at which they made the deposit. As of the first of next month customers will be able to withdraw or deposit money in 24 of ICBC's offices in 12 cities including Beijing, Tianjin, Shenyang, Shanghai and Guangzhou. The inter-city demand savings category also pays interests.

Unlike the previous bank draft which can be cashed only in a designated bank office, the new one, divided into 100, 500 and 1,000 yuan, enable work units and individuals more choices to cash or transfer accounts from one city to another. There are 288 bank branches in eight cities including Chongqing, Wuhan and Dalian, that will accomodate this type of transaction. The drafts will be valid for 30 days.

ICBC will begin to introduce its own telegraph system to 38 of its branches in 13 cities including Beijing, Shanghai, Xian and Chengdu for remittance and other services. Previously, they had to rely on the public post office telegraph service.

Over half of its 20,000 branches and savings offices will open counters for individual remittances in October.

Speaking at a ceremony to mark the opening of the new services, Chen Muhua, state councillor and governor of the People's Bank of China, said that she hoped these new services to be extended to all over the country in the nearest possible future. Leaders from China's banking, financial and posts and telecommunications circles attended the grand ceremony.

Inspects Shaanxi

HK210228 Xian Shaanxi Provincial Service in Mandarin 0030 GMT 21 Sep 86

[Text] Chen Muhua, alternate member of the Political Bureau of the CPC Central Committee, state councillor, and president of the People's Bank of China, recently made a special trip to Shaanxi to investigate the situation in fiscal work. During her inspection, she said several times that fiscal work must support economic development. In the situation of reform, the banks must do a good job in the following respects: 1) adopt a variety of ways to organize more capital for developing production; and 2) stress economic results, make lively use of the existing money, and do more while spending less.

Comrade Chen Muhua, accompanied by Tong Zengyin, vice president of the People's Bank of China, and others, arrived in Xian on 8 September. She immediately set out to inspect various parts of the province. During the past 10 days she has visited Tongchuan, Yanan, Baoji, and Hanzhong Prefectures and Cities. She has listened to reports on local economic construction, visited and paid regards to workers in the fiscal system, and held forums with them. She has also investigated some factories, mines, and villages.

On 10 September, Chen Muhua arrived in Yanan, the old base of the revolution. She had worked there during the War of Resistance Against Japan. She has been concerned about Yanan's construction for many years. On this occasion, she was filled with emotion at viewing the places where she had worked and lived.

At a Yanan prefectural report meeting, Comrade Chen Muhua said: Yanan made tremendous contributions to the Chinese revolution. There have been great changes here in recent years. The markets are lively, the mountains are clothed in green, the rural areas are full of new houses, and the children are wearing nice clothes. I cannot tell you how happy I am. However, Yanan is still rather poor compared with other areas. The CPC Central Committee is concerned about this. We hope that Yanan can become an example for economic construction in the new period, just as it became a motivating force for revolution in the past. Our banks are therefore making contributions toward the development of the old revolutionary bases. However, it is necessary to make evaluation when releasing capital. We must first select for investment those projects suitable for development that grow fast and produce good economic results. We should get better results from smaller loans.

Chen Muhua gave important views on how the old revolutionary bases can extricate themselves from poverty and rich as soon as possible.

Chen Muhua fully endorsed the method of Baoji City in integrating the urban and rural areas during the reform. She praised the achievements of the city's fiscal system in supporting urban and rural reforms. She said: urban and rural economic reforms set new demands on the fiscal system. The fiscal setup must continually carry out reforms so as to suit and stimulate the reforms of the urban and rural economic structures. Specifically, the fiscal system must work in close harmony with the reforms, exercise macroeconomic control and practice microeconomic invigoration, organize more capital, use money in a lively way, speed up circulation, and improve economic results.

While inspecting southern Shaanxi, Comrade Chen Muhua viewed the Hanzhong Pharmaceuticals Plant, Hanzhong City Cement Plant, and Hanzhong Wristwatch Plant, and listened to reports delivered by prefectural leaders. Chen Muhua pointed out: Hanzhong has many strong points.

There is abundant rainfall and the frost-free period is long. Both surface and underground resources are rich. To rapidly develop the economy, it is necessary to take advantage of the local strong points of numerous large factories, good technological strengths, and advanced equipment, and organize ties with these units. Projects for development should be accurately identified in light of local conditions. The mountain areas of southern Shaanxi can develop indigenous products such as ginseng, edible fungus, herbs, and so on. They can also develop cattle raising. Beef cattle are now on sale in China. We should gradually improve their quality and strive to earn foreign exchange from exporting them.

She called on the banks to actively develop economic development and adopt various methods and channels to organize savings. More networks and points for savings should be set up. Post office savings should also be organized. We should concentrate for use in developing production the idle capital that has now been organized. We should lend money to projects and enterprises with good economic results. Circulation of capital should be speeded up.

While inspecting various places in Shaanxi, Comrade Chen Muhua also frequently pointed out the existing problems in use of capital. She said: At present certain enterprises and units regard bank loans as a power for using local finances. When borrowing money they do not consider repaying it. This will not do. Bank loans are different from financial allocations, and they must be paid back on time, capital plus interest.

During her stay in Shaanxi, Comrade Chen Muhua also listened to reports given by leading comrades of the party and government on the situation in the province's economic work. She also heard a work report from the provincial people's bank. Vice governor Xu Shanlin and provincial People's Bank President (Niu Chunhe) accompanied Comrade Chen Muhua on her inspection.

Comrade Chen Muhua will leave Xian for Beijing today.

GU MU FORECASTS INCREASED FOREIGN INVESTMENT

OW242024 Beijing XINHUA in English 1609 GMT 24 Sep 86

[Text] Beijing, September 24 (XINHUA) -- State Councillor Gu Mu said here today that China is determined to further improve its present investment environment.

He said that by the end of last June China had signed contracts with other countries on setting up more than 6,800 joint-ventures, co-managed and exclusively foreign owned enterprises involving a total investment of 17 billion U.S. dollars, of which the actual investment by foreign businessmen is five billion U.S. dollars. "But we are not satisfied with these achievements," Gu added.

He made these remarks at a meeting with a Japanese delegation from the Japan-China Association on Economy and Trade.

Gu noted that on the one hand, China should sum up its experience to improve the work and implement the signed contracts in order to promote the smooth running of those enterprises.

On the other hand, he said, China should give more favorable treatment to those foreign investors who have advanced technology, no difficulties in achieving a foreign exchange balance and use their foreign currency earned in China to continue their investment here.

He said that his country is determined to simplify procedures, shorten time and improve efficiency with regard to business talks with overseas investors.

Speaking of bilateral relations, Gu said that to expand bilateral friendly relations and cooperation is in keeping with the desire and interest of the two peoples.

He expressed his hope that both sides will take positive measures to open up new areas of cooperation and take still greater steps in the field of joint ventures and co-management.

Senior advisor to the delegation Eshiro Saito and leader Ryoichi Kawai said that the Japanese side will help China to expand its exports to Japan.

The delegation arrived here yesterday at the invitation of the China Council for the Promotion of International Trade. This morning, the visitors held talks with leading members of the State Planning Commission and the State Economic Commission on developing trade and economic relations between the two countries.

HUBEI CORRECTS VIOLATION OF JOINT VENTURE LAW

OW262124 Beijing XINHUA in English 1520 GMT 26 Sep 86

[Text] Beijing, September 26 (XINHUA) -- The foreign partners in a Sino-American joint venture have won the reinstatement of two factory directors who were dismissed by the Chinese partner without first consulting the board of directors.

Chinese joint venture law stipulates that in handling major problems, the board of directors, which is comprised of both Chinese and foreign members, shall reach a decision through consultation by the parties to the venture, in accordance with the principle of equality and mutual benefit.

According to reports published in today's PEOPLE'S DAILY and INTERNATIONAL BUSINESS NEWS, the Hubei Provincial Bureau of Machine-building Industry dismissed the director and deputy director of the factory on April 25 without first consulting the factory's board of directors.

At the insistence of the foreign partners and the Foreign Investment Administration Bureau under the Ministry of Foreign Economic Relations and Trade and the provincial government intervened and reversed the decision. Chen Weizhen and Cai Guoning returned to their posts as director and deputy director of the Hubei-Park Hermetic Parts Factory.

The venture, formed in 1983 by the Hubei Motor Vehicle Industry Company and the Ohio-based Park Company, is regarded by the Ministry of Foreign Economic Relations and Trade as one of the more successful joint venture projects in China, the paper said.

The factory currently sells parts to China, the United States, Canada, Australia and the Federal Republic of Germany.

A representative of the Ohio-based company expressed satisfaction with the factory. "Of the ten factories we have started in China, the Hubei factory is the most important and successful," he added.

After several meetings to discuss the dismissal, on August 21, the American company sent a message of protest to the Chinese chairman of the board, saying that the decision was in violation of China's joint venture law and the articles of association.

Both central and provincial authorities expressed their concern over the incident, the PEOPLE'S DAILY said.

WORK STYLE, EFFICIENCY OF STATE ORGANS IMPROVES

HK291319 Beijing RENMIN RIBAO in Chinese 7 Sep 86 p 1

[Report by Guo Yan [6753 4282]: "Style of State Organs Has Improved: Reported Problems Caused by Natural Disasters in Shandong and Jilin Promptly Solved"]

[Text] "We came to Beijing this time to ask for some things, but more importantly, we received a vivid lesson. In the course of rectifying party style, the style of state organs has indeed improved." This was what the leading comrades from Shandong and Jilin told leading comrades of the State Council verbally or in writing after they made their reports on the calamity situation. They praised the improvement in style of some departments of the state organs. Comrade Wan Li encouraged all departments of the state organs to continue the good work, make unremitting efforts, overcome bureaucracy, raise work efficiency, and thoroughly carry out the rectification of party style.

This year Shandong Province suffered serious drought, while Jilin Province encountered severe damage from floods in July and August. The two provincial governments sent people successively to Beijing to report on the calamity situation and to discuss relief assistance. The leading comrades in the State Council and responsible comrades of the general office of the State Council and from more than 10 relevant departments of state organs received them warmly and rapidly assisted in settling problems.

On the day the comrade from Jilin Province arrived in Beijing, Chen Junsheng [7115 0193 3932], secretary general of the General Office of the State Council, listened to the report at 2100. He then designated his assistant to convey the report to leading comrades of relevant departments and committees in the State Council that very night and urgently studied the resolution of practical post-calamity problems in Jilin. The day after his return to Beijing from other parts of the country, Li Ruishan, advisor to the State Economic Commission and person in charge of relief work, immediately listened to the report. Responsible comrades of the Ministry of Agriculture, Animal Husbandry and Fisheries and the China Bank of Agriculture waited for more than 2 hours after work in their offices in order to be briefed on the situation. [paragraph continues]

After listening to the report and watching videotapes of the extent of damages, Jiang Xi, vice minister of commerce, promptly asked responsible comrades of relevant bureaus and departments to immediately issue additional necessary items to fight floods and engage in relief operations.

We should not reject or delay our work and should deal with urgent matters immediately. After hearing the report, the State Bureau for Materials and Equipment held a meeting that very night and arranged for the issuance of relief items. A huge batch of needed materials was distributed the following day.

XINHUA NOTES PREPARATIONS FOR VILLAGE RECTIFICATION

OW282128 Beijing XINHUA Domestic Service in Chinese 0857 GMT 26 Sep 86

[By reporter Zhou Changnian]

[Text] Beijing, 26 Sep (XINHUA) -- Our country is now on the eve of full-scale rural party rectification at the village level. As this reporter has learned from the large amount of materials and information obtained from the office of the Central Commission for Guiding Party Rectification, all provincial (regional and municipal), prefectural (city), county, and township party committees are devoting enormous efforts to preparing for the work of village-level party rectification with full confidence they will make it a real success.

Last May and June the Central Commission for Guiding Party Rectification sponsored separate party rectification work forums in Zhengzhou, Nanjing, Changsha, and Lanzhou, which were attended by secretaries of the relevant provincial (district and city) party committees. At these forums, concrete plans were made for village-level rectification. It was pointed out that village-level party rectification, which covers a large area and involves a great deal of work, should be basically completed by this winter or next spring and that in view of the short time and heavy task, first of all, good preparations should be made in order to make this work a real success. Over the past 3 months, party committees at all levels in these localities have worked energetically in compliance with the guidelines set at the forums and have done much work in preparation for party rectification at the village level.

Party committees at the provincial (regional and municipal), prefectural (city), county, and township levels and their offices in charge of party rectification have thus far sent approximately 360,000 party and government cadres to the countryside to help with party rectification. In Hunan, Jilin, Chantong, Heilongjiang, Sichuan, Zhejiang, and Guangdong, the number of cadres sent to the countryside for this purpose is between 30,000 and 50,000 attaining the goal of 1 cadre per village or 3 cadres for every 2 villages. Before being sent to the countryside, the cadres were given collective training. Now most of them have entered the villages. Some have investigated to ascertain the real situation. They have thus made clear the conditions of the grass-roots party branches and party members in the rural areas and the main problems to be solved through party rectification, thereby providing a basis for drawing up a plan for conducting village-level party rectification. Others have acted as inspectors, liaison men, or propagandists, responsible for inspecting, supervising, and prompting the work, helping exchange information, and assisting the village party branches in educating party members and summing up and swapping experience. Particularly in villages in some remote areas, after ushering in the cadres who have come to help with party rectification, the local party members and masses have been eating and living together with them and joining them in discussing the important task of party rectification. They have actively and enthusiastically shown their hopes and demands with regard to the work of party rectification.

In most rural areas financial problems exist in varying degrees, directly affecting the immediate interests of the masses. If these problems are not solved, the work of party rectification cannot proceed smoothly. In view of this, all localities have deemed it a major task to straighten out the village-level financial work and have made serious efforts to do this when preparing for party rectification. According to incomplete statistics involving 20 provinces, autonomous regions, and municipalities, more than 268,300 villages have dealt with their problems of financial irregularities. Collective funds that were embezzled, misused, or outstanding due to overdue payments have been recovered. Most often the cadres with party membership who have serious problems in this regard have been punished according to the requirements of party and government discipline; some have even been removed from their posts and replaced by others. While solving the problems of financial irregularities, many villages and towns have made serious efforts to sum up experience and draw lessons. They have thus strengthened their financial management and established and improved their financial systems.

Consolidating and adjusting those grass-roots party branches incompetent to lead the party rectification work is also one of the important tasks in preparing for village-level party rectification in various localities. According to incomplete statistics covering 18 provinces, autonomous regions, and municipalities, including Beijing, Heilongjiang, Shanxi, Hunan, Jiangsu, Sichuan, Gansu, and Ningxia, some 81,400 village party branches with relatively more problems have been adjusted and consolidated, and as a result they have gained more vitality and fighting strength.

In view of the reality that rural party members in general have a poor educational background, all localities have organized manpower to carefully compile and print teaching materials for use in educating the rural party members in party spirit, the ideals they should foster, discipline, and the current situation and policies. Most of these teaching materials are realistic and of rather good quality.

Many localities have already conducted village-level party rectification on a trial basis. From this trial work they have summed up many different, good examples of party branches' rectification work, each with distinctive characteristics. This has provided many useful experiences for the full-scale party rectification at the village level.

The rural party rectification at the village level will involve almost 1 million grass-roots party branches with nearly 20 million party members participating. It will be a task of the largest scale in the current party rectification drive. It will be of vital and far-reaching significance in promoting the reform and economic development in rural areas and the rural party construction work for the new period. Therefore, all in the party, from the top down, and all those inside and outside the party are deeply concerned about and focusing their attention on it, placing great hopes in its results. The broad masses of peasants are looking forward to and keeping a watch on village-level party rectification in the hope that it will give new vitality to the various production and construction tasks in rural areas. In view of the serious down-to-earth preparatory work carried out over the past months in various localities, we can see that so long as the party committees at all levels continue to give careful guidance and strengthen education in party spirit in coordination with the present work of reforms and rectification of party style and discipline, the hope they cherish can be realized. The work of village-level party rectification can be likened to "music heralded by enthusiastic feeling." Since the prelude is in good taste, the music's main movement will surely be heartening.

CIRCULAR URGES WORKERS' SUGGESTIONS, INNOVATIONS

OW291125 Beijing XINHUA Domestic Service in Chinese 0630 GMT 27 Sep 86

[Text] The All-China Federation of Trade Unions and the State Economic Commission recently issued a circular on mobilizing China's 80 million staff and workers to launch activities to make rational suggestions with the focus on raising the quality of products, reducing material consumption, and promoting technological innovation.

The circular pointed out: In order to solve the problems of poor product quality and high material consumption in industrial production, it is necessary to fully mobilize the masses so that everyone will make suggestions to improve the quality of products and contribute to reducing consumption. In order to raise the quality of products, it is necessary to carry out overall control and to give full play to the wisdom and creativity of the vast numbers of staff and workers in such areas as strengthening overall quality control and vigorously adopting new technologies, new skills, and new materials. As for reducing consumption, the focus should be on saving electricity, petroleum, and rolled steel.

The circular called on all localities to conscientiously carry out the "regulations for encouraging rational suggestions and technological improvement" issued by the State Council, to practically enhance organizational leadership over these activities, and to do a good job in organizing such activities. Leaders of enterprises should employ various vivid and flexible ways, such as posting public notices, soliciting answers, and inviting bids, to arouse the masses to make suggestions, and should do a good job in collecting rational suggestions and promoting technological innovation. It is essential to extend the activities of soliciting rational suggestions and promoting technological innovation to work teams and groups. The vast numbers of staff and workers who have been occupying posts in production, management, administration, and scientific research for a long time know clearly where problems of quality and waste are found and where potential problems exist. They are the most legitimate people to make innovations and suggestions.

The circular stressed: In leading the activities of making rational suggestions and promoting technological innovation, we should not just be faddish, should not go after formality and vanity, and should not "make a hue and cry," but should make every effort to carry out these activities and to make them effective.

STATE COUNCIL ANNULS 24 OUTDATED REGULATIONS

OW291223 Beijing XINHUA in English 1132 GMT 29 Sep 86

[Text] Beijing, September 29 (XINHUA) -- The State Council, China's highest governing body, has annulled 24 out-of-date regulations involving agriculture, forestry, water conservation and meteorology, according to a circular made public today.

Originally promulgated between 1949 and 1984, the regulations abandoned included those made obsolete by the economic reform, which has allowed more autonomy to farmers and state-owned enterprises.

Among the regulations dropped was one which prohibited farmers from cultivating their own land for profit.

The council's staff has been sifting through China's more than 3,000 regulations. Members of the council are working through some 2,000 regulations the staff has recommended be abolished or revised.

"We're getting rid of regulations that don't fit in with the needs of the country any more," an official in the council's legal office told XINHUA.

"In particular," he said, "we are proposing dropping regulations which interfere with the economic reform or with China's opening to the outside world."

STATE COUNCIL CIRCULAR ON CHINESE CHARACTERS

OW281241 Beijing XINHUA Domestic Service in Chinese 1217 GMT 27 Sep 86

[Excerpt] Beijing, 27 Sep (XINHUA) -- The State Council recently issued a circular approving and transmitting the "request for instructions on abolishing the second (draft) plan for the simplification of Chinese characters and correcting the situation of confusion in the use of Chinese characters in the society" submitted by the State Language Work Committee. It has been decided that from now on the use of the "second (draft) plan for the simplification of Chinese characters" should be stopped. The circular emphatically points out that it is necessary to take a prudent attitude toward the simplification of Chinese characters, and the forms of Chinese characters should maintain relative stability in order to facilitate their use in the society.

The State Council circular points out that at present people in society wantonly use complex forms of Chinese characters, improperly create simplified versions of Chinese characters, or carelessly write Chinese characters. This kind of confusion in the uses of Chinese characters merits high attention.

The State Council has asked the State Language Work Committee to promptly coordinate with related departments to study and formulate methods for the control of the use of Chinese characters and gradually eliminate the abnormal situation of confusion in the use of Chinese characters in the society. [passage omitted]

HU QIAOMU ON CULTIVATING PATRIOTISM IN SCHOOLS

OW291617 Beijing XINHUA Domestic Service in Chinese 0906 GMT 29 Sep 86

[Text] Beijing, 29 Sep (XINHUA) -- While meeting with representatives attending a conference of the Committee for Examining Teaching Materials for Secondary and Primary Schools in Beijing today, Hu Qiaomu, member of the Political Bureau of the CPC Central Committee, said: Patriotism should permeate the entire process of secondary and primary education as well as higher education.

He said: Patriotism should be the leading idea that permeates all teaching materials in secondary and primary schools as well as activities inside and outside of the school. Students brought up in this manner will have national pride and respect as well as patriotic spirit. He maintained that materials in this area may be selected for use as teaching matter in secondary and primary schools, and teachers may also include more materials in this area when preparing their lessons.

College students should also understand the history of the entire nation and resolve to devote themselves to the motherland's reform and construction. This cannot be achieved simply by attending political lessons or making reports.

Hu Qiaomu also said that we should cultivate aesthetic values among students, as an indispensable link in moral education in secondary and primary schools. Without aesthetic values, one would tend toward vulgar things, with one's philosophy of life adversely affected. Aesthetic education is an important aspect inseparable from moral education.

Deng Liqun, member of the Secretariat of the CPC Central Committee, and Zhou Guchen, vice chairman of the NPC Standing Committee, also spoke at the meeting.

More than 200 people attended today's meeting, including He Dongchang, Zhang Chengxian, Wang Mingda, and representatives to the meeting.

BEIJING SYMPOSIUM MARKS CONFUCIOUS' BIRTHDAY

OW291926 Beijing XINHUA in English 1444 GMT 29 Sep 86

[Text] Beijing, September 29 (XINHUA) -- To celebrate the 2,546 anniversary of Confucius' birth, the China National Institute for Confucianism held a symposium to discuss the modern role of Confucianism, at the Confucius Temple here today.

Confucius (551-479 B.C.) was a great philosopher, statesman and educator, whose theories have influenced almost every aspect of Chinese society for 2,500 years.

The symposium comprised two discussion groups: "China's Traditional Culture and its Modernization," and "Oriental Culture and Modern Economic Management."

The one hundred Confucius experts and scholars who discussed the first topic unanimously held that China should discard the philosophy's feudal structure but extract its democratic essence.

Although some proposed the elimination of all feudal aspects, most argued that they have merits for education, and people should use them critically.

During the discussion of Confucianism's role in current economics management, Yang Zhi, associate professor from the Industrial Economics Department at People's University, said Japan has succeeded in applying Confucian concepts to its modern economic management.

Yang suggested that China, as the birthplace of Confucian culture, should increase research to better decide whether or not Confucian theories can be used in the management of China's economy. His opinion met with full agreement.

I. 30 Sep 86

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Founded in June, 1985, the Institute for Confucianism was founded by private, academic sources. Its members, mostly Confucian experts from all over China, are devoted to scientifically evaluating and dialectically analyzing Confucius and his philosophy.

RENMIN RIBAO ON IDENTIFYING 'SIGNED' AUTHORS

HK260551 Beijing RENMIN RIBAO in Chinese 24 Sep 86 p 1

["Today's Talk" column by Qin Dianjie [4440 3013 2638]: "Why Is the Name Not Given When It Is a 'Signed Article'?"]

[Text] This is often heard on the radio: "A signed article entitled ... is published by ... RIBAO today." In transmitting an article carried in an newspaper or magazine, the XINHUA NEWS AGENCY also reports in this way: "The recently published ... magazine carries a signed article. The article points out... ." This kind of report does not tell the listeners or readers who the author of the signed articles is.

The reason a signed article is reprinted or broadcast is because the editorial department thinks that the author's article is full of substance and that he has good grounds for his views, and therefore the article is worth publicizing. As is known to all, an article represents the author's viewpoints, impressions, and analyses. It is only natural that the author's name should be given. However, the newspapers and radio stations do not give the author's name. This is inappropriate and unfair. Can the author of an article be named "a 'signed article'?" What is even worse is that in the digest columns of some newspapers, prominence is given to the person who makes extracts from an article, while the name of the author of the article is put in a corner. This way of claiming credit due to others is also inappropriate!

It is necessary to respect authors and to make things easier for the readers. In the course of reform, radio stations, newspapers, and news agencies should do away the practice of not giving the name of the author of a "signed article" in reprinting or reporting that article. They should mention or print out the author's full name.

TIAN JIYUN MEETS ARCHIVES MEETING PARTICIPANTS

OW251325 Beijing Domestic Service in Mandarin 1200 GMT 23 Sep 86

[Excerpts] This reporter has learned from a meeting of provincial, autonomous regional, and municipal archives bureau directors which ended today that under the Seventh 5-Year Plan, China will vigorously tap its archives information resources and further open its historical archives to society.

A central organ leading comrade recently pointed out that the further opening of archives, including their opening to foreigners, is imperative under the present circumstances. It is a prerequisite for promoting China's academic undertakings and implementing the policy of opening to the outside world. Toward this end, the State Bureau of Archives has formulated measures concerning this work. [passage omitted]

Vice Premier Tian Jiyun met all representatives to the meeting at Zhongnanhai today.

Speaks on Forestry

OW270311 Beijing XINHUA Domestic Service in Chinese 1301 GMT 26 Sep 86

[By reporter Huang Zhenggen]

[Text] Beijing, 26 Sep (XINHUA) -- We must formulate a correct guiding ideology and management policy, and coordinate the efforts of all regions in revitalizing China's forestry in order to serve the modernization drive and benefit the future generations, said Tian Jiyun, member of the Political Bureau of the CPC Central Committee and vice premier of the State Council, during an inspection tour of forest areas in Heilongjiang Province and the Nei Mongol Autonomous Region.

During the 6-day inspection tour of the Daxinganling and Xiaoxinganling forest areas from early to mid-September, Tian Jiyun went deep into wooded areas in mountains and attended discussions with grass-roots cadres and workers in the forest areas. He also called on some forest workers at home.

Tian Jiyun said: Since the founding of New China, we have scored remarkable achievements in developing forestry, contributing to the preservation of ecology, national economic construction, and the economic prosperity of mountainous areas. However, problems exist in our forestry mainly the imbalance between lumbering and afforestation as reflected in the excessive felling of trees in some localities. Due to the single-product management method and egalitarian practice over a long time, some forestry enterprises have suffered aggravating financial deficits. As a developed forestry sector is one of the hallmarks of a strong and prosperous nation and advanced civilization, to protect and develop forestry resources is a major issue having a bearing on the survival of future generations, he said. Therefore it is necessary to make prompt and determined efforts to formulate correct strategic measures to revitalize Chinese forestry.

Tian Jiyun pointed out: In view of the complexity of problems in Chinese forestry, it is essential to coordinate the efforts of all regions in tackling these problems. He set the following requirements for revitalizing Chinese forestry: First, it is necessary to obtain a better understanding of forestry, which is the work of not only the Forestry Ministry but also the whole community. Intensifying publicity and education to enable people to obtain a better understanding of forestry is essential for solving these problems. Efforts should be concentrated on implementing the "Forestry Law" and publicizing, through various channels, the importance of protecting forestry resources and developing forestry in order to enhance people's consciousness in developing forestry. Second, it is necessary to formulate a correct guiding ideology and management policy. We should go all out to increase wooded areas and forestry resources by planting more trees and caring for them. As for the management policy, we should pay attention to both lumbering and afforestation, with the latter as the primary job, exploit resources in a comprehensive manner by developing diversified undertakings, and improve management to raise efficiency. Of course, we should fell some overgrown trees, which will perish by themselves if not chopped down, resulting in a waste of resources. It is also necessary to introduce intermediate lumbering of middle-aged forests. But we should never focus our attention on lumbering alone. In view of the rich resources in wooded areas, we should not concentrate on one single product, but promote diversified undertakings in order to support forestry with industrial and sideline production. Third, it is essential to study the management system, which is a complicated issue requiring serious study and investigation to look for a gradual solution. Measures may be taken to improve the system as long as they can stir the enthusiasm of people in various circles. Fourth, it is necessary to improve the management of forestry enterprises and raise their economic efficiency.

Enterprises that have already lumbered all their forests should readjust their operations to diversified management and release their surplus personnel to places with rich resources for exploitation. Family members of enterprise staff and workers should actively promote various tertiary industrial undertakings. It is necessary to study ways for improving an enterprise's economic accounting system and change confusing practices. Fifth, it is necessary to earnestly study and implement the policy on forestry economy and actively support forestry in order to increase its vitality.

Accompanying Tian Jiyun on the inspection tour were Sun Weiben, secretary of the Heilongjiang Provincial CPC Committee, and Bai Junqing, vice chairman of the Nei Monggol Autonomous Regional Government.

TIAN JIYUN, YU QIULI ATTEND MAOTAI GATHERING

OW190828 Beijing XINHUA Domestic Service in Chinese 1537 GMT 18 Sep 86

[Excerpt] Beijing, 18 Sep (XINHUA) -- Personages from various circles gathered at the Great Hall of the People this afternoon to mark the 70th anniversary of the Maotai spirit winning a golden award at the Panama International Exposition and the 1st anniversary of its winning a golden laurel award from the Paris-based International Delicacy and Tourism Committee. Party and state leaders Tian Jiyun, Yu Qiuli, Zhu Xuefan, Zhou Gucheng, Rong Yiren, Gu Mu, Zhang Jingfu, Wang Bingqian, and Song Jian attended the gathering. [passage omitted]

JIANGSU RURAL ENTERPRISES FACE PROBLEMS

HK290053 Beijing CHINA DAILY in English 29 Sep 86 p 2

[By Staff Reporter]

[Text] Though rural businesses in Jiangsu Province made great headway in production in recent years, they are facing stiff challenges this year.

Main problems facing the province's 79,974 rural business are increased stockpiles and decreased profits.

According to the People's Bank of China, in the first half of this year production by rural businesses in Jiangsu was valued at 20.6 billion yuan (\$5.6 billion) but sales reached only 15.3 billion yuan (\$4.1 billion). At the end of June products worth 4.32 billion yuan (\$1.16 billion) were stockpiled.

During the half-year period, the province's rural businesses earned a profit of 1.1 billion yuan (\$297 million), a nearly 20 percent decline from the same period last year.

The number of businesses losing money increased to 11,734 nearly 15 percent of the total.

Problems in the development of such businesses have risen from a shortage of funds and energy. Many rural businesses have not been able to operate at full capacity since the beginning of the year.

JIANGXI PEOPLE'S CONGRESS COMMITTEE MEETS

OW261644 Nanchang Jiangxi Provincial Service in Mandarin 1100 GMT 26 Sep 86

[Text] The 6th Jiangxi Provincial People's Congress Standing Committee opened its 19th meeting in Nanchang today. Chairman Wang Shufeng and Vice Chairmen Wang Zemin, Zheng Xiaoxian, Liang Xiaxuan, Huang Xiandu, Peng Shengxi, and Liu Bin attended the meeting. Vice Governor Sun Xiyue, chief procurator of the Provincial People's Procuratorate Wang Shuheng, responsible persons of the provincial Higher People's Court and relevant departments of the provincial people's government, provincial People's Congress Standing Committee officials in all prefectures and cities, and leaders of the Ganxian County People's Congress Standing Committee attended the meeting as observers.

Chairman Wang Shufeng chaired today's meeting. Vice Chairman Zheng Xiaoxian transmitted the guidelines of the 17th Meeting of the 6th NPC Standing Committee and an important instruction by its chairman, Peng Zhen.

The meeting will discuss serious mistakes by provincial Governor Ni Xiance. It will also examine the provincial draft regulations governing town and township collective mining enterprises, the provincial draft regulations governing implementation of the PRC Land Administration Law, and a draft decision on establishment of a Jiangxi Provincial Election Committee, as well as make personnel appointments and removals.

JIANGXI GOVERNOR NI XIANCE SUSPENDED FROM DUTY

HK261620 Hong Kong ZHONGGUO XINWEN SHE in Chinese 1539 GMT 26 Sep 86

[Report by Wang Haixi [3769 3189 2569]: "Governor Ni Xiance of Jiangxi Province Suspended From Duty for Violation of Law and Discipline and Other Serious Mistakes" -- ZHONGGUO XINWEN SHE headline]

[Text] Nanchang, 26 Sep (ZHONGGUO XINWEN SHE) -- Governor Ni Xiance of Jiangxi is being suspended from duty for violation of law and discipline and other serious mistakes.

This morning, the 6th Jiangxi Provincial People's Congress Standing Committee held its 19th plenary session. "Governor Ni Xiance's serious mistakes" were among the important topics discussed at this plenary session.

It is arranged that at this plenary session, Chairman Wang Shufeng of the Provincial People's Congress Standing Committee will announce the State Council's decision on 25 September to suspend Ni Xiance from duty; Secretary Zhu Zhihong of the Jiangxi Provincial Discipline Inspection Commission will report on how Ni Xiance made his serious mistakes, and the provincial People's Congress Standing Committee will hold a group discussion to select an acting governor and to decide on the choice of an acting governor.

According to some authorities, Mayor Wu Guanzheng of Wuhan city is one of the candidates for acting governor. Wu Guanzheng, 48, whose hometown is Jiangxi's Yugan, is a graduate of Qinghua University.

Wang Shufeng, chairman of the Jiangxi Provincial People's Congress Standing Committee, presided over today's plenary session. The responsible persons of the Gan County People's Congress Standing Committee who elected Ni Xiance a deputy to a People's Congress attended as non-voting delegates.

Among the things to be discussed at this plenary session are the "Draft Regulations on the Management of Collective Mining Enterprises in Jiangxi's townships and Towns and of individual mining Undertakings" and the "Draft Regulations Concerning Jiangxi's Implementation of the 'PRC Land Management Law.'"

People's Congress Briefed

OW290223 Nanchang Jiangxi Provincial Service in Mandarin 1100 GMT 27 Sep 86

[Text] The 2d Plenary Session of the 19th Meeting of the 6th Jiangxi Provincial People's Congress Standing Committee was held today to hear a briefing by Zhu Zhihong, secretary of the provincial Discipline Inspection Commission, on the grave errors committed by Ni Xiance. The session was presided over by Wang Shufeng. Liu Fangren, deputy secretary of the Jiangxi Provincial CPC Committee, spoke at the meeting. At the meeting, Vice Governor Jiang Zhuping read out the report from the provincial government to the provincial People's Congress Standing Committee on dismissing Ni Xiance from his post as provincial governor.

Attending the session were Wang Zemin, Zheng Xiaoxian, Liang Kaixuan, Huang Xiandu, Peng Shengxi, and Liu Bin, vice chairmen of the provincial People's Congress Standing Committee.

Wang Shuheng, chief procurator of the provincial People's Procuratorate, and officials from the provincial Higher People's Court and the provincial government attended the session as observers. In the afternoon, members of the provincial People's Congress Standing Committee held a panel discussion on the matter.

JIANGXI COMMENTARY NOTES PROVINCIAL INVESTIGATIONS

OW220319 Nanchang Jiangxi Provincial Service in Mandarin 1100 GMT 16 Sep 86

[Station commentary: Do Thoroughgoing Work in Improving Party Style]

[Text] The enlarged meeting of the Jiangxi Provincial CPC Committee Standing Committee has relayed and discussed the central authorities' decisions and instructions on related issues; achieved unity in thinking; enhanced understanding; studied ways to further improve party style; and studied and made plans for our work in the next 4 months. It was an important and successful meeting of concrete, lively, and thorough education in party spirit, style, and discipline and in the legal system. The provincial party committee calls on party organizations at all levels and all communists in the province to seriously implement the central authorities' relevant decisions and instructions and the guidelines of the enlarged meeting of the provincial party committee Standing Committee; further improve party style; promote unity; and make progress in reform in all areas and in economic construction in our province.

Since the beginning of this year, our province has made new progress in improving party style, and we have created a new situation in which all party organizations in the province pay attention to improving party style. We have made a new breakthrough in the investigation and handling of major cases, and we have achieved new successes in correcting unhealthy tendencies. We have successively begun to correct irregularities in various trades and professions. We have further carried out education in party spirit, style, and discipline and improved the work style of office cadres. These achievements were the results of efforts made by party organizations at all levels and the vast number of party members and masses in the province under the correct leadership of the party Central Committee and the provincial party committee.

However, to improve party style is a long-term and arduous task throughout the course of reform and modernization. We should seriously adhere to the principle laid down by the central authorities -- the principle of improving party style and undertaking reform and economic construction simultaneously and seriously for 2 years -- and make unremitting efforts to improve party style. We should further enhance our understanding and constantly remind ourselves that the party style issue is a major one concerning the life or death of our party and state. Currently, the work of improving party style is still uneven. Leaders in some organizations still fall short of the central authorities' expectations in terms of their understanding the work of improving party style. A few organizations are slack in their work to improve party style. In some localities, there is still resistance to investigation and handling of cases. One or two organizations even continue to make mistakes in the course of party rectification.

Unrealistic optimism, eagerness for quick success, and relaxation of efforts are not to be tolerated. After summing up our experience in the work of improving party style in the preceding stage, we should seriously examine ourselves against the demands set by the central authorities and the provincial party committee to discover problems existing in our thinking and understanding.

We should earnestly solve problems, if any, and further strengthen our confidence and determination to bring about a fundamental turn for the better in party style. We should correctly understand the relationship between improving party style and making reform. The two supplement and promote each other. Facts in our province in the first half of this year fully show that our efforts to correct unhealthy tendencies and investigate and handle law and discipline violations have not obstructed our reform of our economic construction. They have helped improve party style and ensured the smooth process of reform and economic construction. It is wrong to think that the work of improving party style will adversely affect reform or that party style has nothing to do with reform. We must sternly investigate and punish those degenerates who flaunt the banner of reform while abusing their power to seek private interest, embezzle public funds, take bribes, or make other law and discipline violations; and those who exploit the loopholes of reform to engage in dishonest and evil practices, defame reform, and cause great economic losses or grave social consequences. If a case involves high-ranking cadres, their sons or daughters, or celebrities, the more seriously it should be investigated and dealt with. This is an important measure to protect reform.

The key to improving party style lies with leading organs and leading cadres. Leading cadres at all levels should take the lead in improving party style. In addition to having a good work style themselves, they should also dare to take the responsibility to improve party style in their own units and play an exemplary role. It is necessary to establish and perfect a responsibility system for improving party style and to implement it at each level. We should also adopt party style inspection and appraisal methods through democratic discussions to check on the implementation of this system. We should commend those who have done a good job in implementing this system, criticize those who have done poorly, and find out who is responsible if there is serious dereliction of duty. Leading cadres should also do a good job in educating their children and relatives and play an exemplary role in bringing about improvement in party style and in general standards of social conduct.

Investigating big, major cases represents an important part of improving party style. The leadership at all levels should personally attend to this work by organizing investigative personnel and sharing the responsibility for the investigation and handling of such cases. Under the leadership of the provincial party committee, we have investigated and dealt with a number of cases involving cadres at and above departmental and bureau levels, even some cases involving cadres at the provincial level. Consequently, party style has somewhat improved. We must continue to pay attention to this work. Relevant departments should closely cooperate and support one another to fulfill their duties and responsibilities. We must strictly implement the party's policy, put stress on facts and evidence, and handle cases impartially in strict accordance with legal procedures. We should accelerate the handling of cases and at the same time improve the quality of this work.

To improve party style, we must make an earnest effort to correct unhealthy trends in various trades while continuing to pay attention to investigating and dealing with the six serious unhealthy trends. On unhealthy trends that have been somewhat brought under control, we should continue to vigorously check them to prevent them from recurring. As for unhealthy trends that are beginning to recur, we should solve them within a specified time. We must not be softhearted when it comes to improving party style and checking unhealthy trends. Instead, we must attend to this work in a thoroughgoing way. Party committees at all levels must firmly implement to a letter all regulations adopted by the central and provincial party committees for improving party style and checking unhealthy trends. We must earnestly check up on and redress such trends as political liberalism, bureaucratism, and favoritism in personnel matters.

In redressing unhealthy trends in various trades, we should pay attention to key points and start with those trends that are most harmful and about which the masses have complained the most. Efforts should be made to examine and straighten things out step by step and sector by sector. As for common problems among staff members and workers, we should solve them mainly by carrying out education in ideals, discipline, and vocational ethics to arouse their consciousness and enhance their understanding and by self-investigation initiated by the workers themselves.

Facts have shown that many unhealthy and corrupt practices within the party often originate from lax discipline. Therefore, we must regard the strengthening of discipline as a major task for improving party style as well as an important measure for effecting a noticeable turn for the better in party style this year. We must pay close attention to ensuring that this work will be fruitful. We should, by way of strengthening discipline, further improve government work style, establish a good work order among government organs, and improve work efficiency so that they will serve the masses, reform, and economic construction in a better way.

Improving party style is a major issue for the whole party. Under the correct leadership of the central and provincial party committees, we will certainly be able to achieve the goal of realizing a noticeable turn for the better in party style throughout the province this year as long as the province's 1.2 million party members make concerted efforts to deepen the work of improving party style in a down-to-earth manner.

SHANGHAI CADRES REPORTEDLY 'BULLY' PEOPLE

HK290725 Hong Kong MING PAO in Chinese 28 Sep 86 p 5

["Special Dispatch From Shanghai": "The Authorities Are Ineffective in Dealing With Party Member Cadres Who Bully People"]

[Text] Influenced by ideas of feudal privilege, some party member cadres in Shanghai generally consider themselves to be "first-class citizens" and, when having disputes with ordinary people, "act like lords and take advantage of their power to bully them."

SHEHUI BAO [SOCIAL GAZETTE] pointed out: Under the influence of the feudal concept of "gratitude," some departments in charge are generally ineffective and equivocal in dealing with party members cadres who act like lords and take advantage of their power to bully others. This has made their behavior more unscrupulous. Surveys conducted by a SHEHUI BAO reporter at the Guling and Xinle Public Security Stations and in the Huadong Power Supply Management Bureau reveal that quite a number of people have complained that some party member cadres take advantage of their power in their relationships with their neighbors by bullying them.

Take as an example of deputy bureau chief who lives in the Huaihai Apartments. He lives in a flat of nearly 70 square meters, but for a long time he has longed to take possession of his neighbor's kitchen, which is only about four square meters in area. His demand has been turned down on several occasions. Once, after his request was denied, he deliberately placed his broken vases, broken basins, and waste water container under his neighbor's window. This attracted flies mosquitoes. One night in March this year, his neighbor inadvertently bumped into the vases and basins while drying his child's diapers. The cadre's family members, old and young, all went out to beat up his neighbor.

Let us give another example. A party member cadre at the sectional level of an urban department got hold of his neighbor's head and bumped it against a wall for a trifle, yelling: "Do you know where I work? You would be startled to know."

The citizens and ordinary cadres in the neighborhood have expressed strong indignation over such abominable conduct. But the department in charge felt embarrassed and did not know what to do when some victims filed their complaints. A leading cadre said without mincing words: As these party member cadres took part in the revolution a long time ago, it is not easy to handle their rudeness; we can only turn a blind eye to it and turn a big problem into a small one and a small problem into no problem.

STOCK MARKET OPENS IN SHANGHAI; 2 STOCKS TRADED

OW270122 Beijing XINHUA in English 1714 GMT 26 Sep 86

[Text] Shanghai, September 26 (XINHUA) -- Shares belonging to two companies and worth 80,000 yuan were sold today on the new Shanghai Stock Exchange, the first day of the opening of such a venture since the Shanghai exchange was closed down 40 years ago.

The business was handled by the Shanghai Investment and Trust Company, a subsidiary of the Industrial and Commercial Bank of China, on behalf of the Shanghai Feile Acoustics Equipment Producing Company and the Yanzhong Industrial Company Ltd.

The two companies issued stocks in 1984 and 1985. The former issued 500,000 yuan (125,000 U.S. dollars) and the latter, five million yuan (1,250,000 U.S. dollars) in stocks. Each share is worth 50 yuan.

The market opened at nine a.m., but some of the prospective buyers arrived as early as six a.m. Today the price of each Feile share was 55.6 yuan (15 U.S. dollars), and that of Yanzhong was 54 yuan (14.58 U.S. dollars).

NEW GUANGDONG REGULATIONS FOR SINO-FOREIGN FIRMS

OW290825 Beijing XINHUA in English 0741 GMT 29 Sep 86

[Text] Guangzhou, September 29 (XINHUA) -- Special economic zones (SEZ) in Guangdong Province will allow the establishment of sino-foreign companies to issue stocks and bonds at home and abroad.

The provision was included in a set of new regulations to govern businesses involving foreign investment in the province's special economic zones.

The new document specifies the procedure, mode of management, categories and transfer of stocks and bonds.

According to the regulations, Sino-foreign stockbroking companies have to have a board of directors consisting of at least five people, with a minimum of three based on the SEZ. The stocks and bonds to be issued have to be registered and divided into ordinary and special types. They may be transferred, assigned, inherited and used for mortgage purposes.

The document was approved at a meeting of the Standing Committee of the Guangdong Provincial People's Congress Sunday after three years of deliberation.

The regulations cover sino-foreign joint ventures, Sino-foreign cooperative enterprises, foreign enterprises and sino-foreign stock companies. The document consists of eight chapters and 157 articles, with specific provisions for the procedure and establishment of such companies and their operations, amalgamation and termination.

It provides that the establishment of the four categories of companies in the SEZs must meet the following requirements:

- They must conform to the laws and regulations of the People's Republic of China;
- They must meet the needs of the development of the national economy;
- The registered capital should be no less than one million yuan or the equivalent in other currencies, with 25 percent in cash as preliminary investment;
- Production technology and management must be of the international advanced types;
- Products must be marketable internationally, with all or part for export. The enterprises should be able to balance their own foreign exchange budgets.

The Shenzhen SEZ, one of the three in the province, had 980 registered joint ventures, and cooperative and foreign enterprises at the end of June, this year. Their registered capital added up to 4.3 billion yuan. They included 520 joint ventures, 389 cooperative schemes and 71 foreign enterprises.

GUANGXI ISSUES NOTICE ON HUANG YUHUI CASE EXAMPLE

HK290805 Nanning Guangxi Regional Service in Mandarin 1100 GMT 27 Sep 86

[Text] The regional CPC Discipline Inspection Commission issued a notice on 26 September, calling on party organizations at all levels and party-member cadres to draw a bitter lesson from the case of Huang Yuhui committing corrupt acts and accepting bribes, to rectify party style with their practical action, and to do a good job in building the two civilizations.

The notice points out that Huang Yuhui was corrupt and accepted bribes in an extremely serious way. This is an exceptionally serious case of leading cadres at the country level in the province, which has inflicted heavy losses to the party and state politically and economically, defamed the party, and discredited reforms.

The severe punishment of Huang Yuhui and his kind according to the law is very necessary. The regional CPC Discipline Inspection Commission demanded that party organizations at all levels and party-member cadres in the region draw a lesson from the case.

1. Party organizations at all levels must grasp the two civilizations simultaneously and seriously improve party style. The Huang Yuhui case occurred in a new situation of carrying out reforms, opening up to the outside world, and enlivening the domestic economy. It tells us that adhering to reforms and rectifying party style are closely linked. If we ignore the building of spiritual civilization and the rectifying of party style in carrying out reforms and building material civilization, we will lose our way in reforms and economic construction.

2. Leading cadres at all levels must do their best to transform their world outlook and to unceasingly strengthen their party spirit. The main reason for Huang Yuhui's degeneration from a country party committee deputy secretary into a lousy criminal lies in that he relaxed the transformation of his world outlook. Therefore, party organizations at all levels must strengthen education on party members, particularly on party-member leading cadres, in party spirit, party style, and party discipline; strengthen their sense of party spirit; and increase their ability to resist the invasion of decadent bourgeois ideas.

3. Leading groups at all levels must strictly carry out regular organizational activities and persevere in criticism and self criticism. Huang Yuhui's degeneration has something to do with unsound organizational activities of the Hexian County CPC Committee. Even when Huang Yuhui's crimes were fully exposed, members of the county party committee did not carry out active ideological struggle. This reminds us that party leading groups at all levels must perfect inner-party organizational activities, and conscientiously place themselves under the supervision of party organizations and ordinary party members.

4. In selecting leading cadres, party organizations at all levels must adhere to the principle of having both political integrity and ability and appointing people on their merits and ability. Attention must be paid not only to a candidate's ability, but also and more essentially to his political integrity, and to whether he can adhere to the 4 basic principles and serve the people wholeheartedly.

GUANGXI REPORTS SUCCESS IN FAMILY PLANNING

HK270603 Nanning Guangxi Regional Service in Mandarin 1100 GMT 26 Sep 86

[Excerpt] Since the CPC Central Committee's open letter was published in 1980, 230,000 couples in Guangxi had taken single-child certificates by June this year in response to this state's call for a couple to have only one child; in addition, 3.72 million people had taken comprehensive contraceptive measures. The natural population growth rate has dropped from 16.5 to 14.49 per 1,000. The percentage of births that exceeded the number allowed has dropped from 35 to 27. The number of births in the past 6 years has dropped by 900,000 compared with the previous 6 years.

The results of advocating that a couple have only one child have already had a good effect on the region's economic and social development. The percentage of the population aged from 1 to 9 has dropped from 28 in 1980 to 26 in 1985. The region's average per capita industrial and agricultural output value has risen from about 300 yuan to about 400 yuan. The lower number of births in the past 6 years has economized 36 million jin of grain for the state, together with 1.62 billion yuan of expenditure on bringing up children.

Both society and the home have benefited from the policy advocating that a couple have only one child. From 1980 to 1985, the average number of children in the homes of couples of child-bearing age dropped from 3.67 to 3.1. [passage omitted]

Station Commentary

HK270605 Nanning Guangxi Regional Service in Mandarin 1100 GMT 26 Sep 86

[Station commentary: "No Neglect of Family Planning Work Can Be Allowed"]

[Excerpts] [Passage omitted] We have achieved gratifying success in family planning work, but problems also exist. For instance, take the percentage of births that exceeded the allowed number: According to sample surveys conducted by departments concerned, this figure rose by 5 percent in the first half of this year compared with the same period last year. The region's natural population growth rate was 14.49 per 1,000. This shows that Guangxi is still rather backward in family planning, and we absolutely cannot allow any neglect of it.

The strange thing is that certain comrades often acknowledge that family planning is China's national policy but then go and do something else. The phenomenon of births exceeding the number allowed is rather serious. When discussing family planning work, these comrades say nothing about how to strengthen leadership, how to put the measures on a firm basis, and how to do a good job in ideological and political work. Instead they lay too much emphasis on how much of a fine should be collected for births that exceed the number allowed, and cite this figure to show how effective they are in grasping family planning, as though it were the sole criterion for success in family planning. If this were the case, there would be no need to mobilize and educate the masses or put measures on a firm basis; everything would be splendid so long as fines were imposed on people having more children than the number allowed.

We hold that this is a harmful view that does not help to control population growth. The collection of large amounts of fines does not mean that you have done well in family planning work; it can only show that there are too many excess births and that the work of putting family planning measures on a sound basis has not been grasped well. [passage omitted]

In view of the current desire of some of the masses to have more children, while the grass-roots cadres dare not or do not want to do anything about it, we must conduct propaganda and make calculations to enable the masses to understand the relationship between controlling population numbers and improving population quality, and to see that family planning is one of the major measures for discarding poverty and getting rich. [passage omitted]

HUBEI LEADER STRESSES FAMILY PLANNING

HK270634 Wuhan Hubei Provincial Service in Mandarin 1100 GMT 26 Sep 86

[Radio talks by Vice Governor Liang Shufen: "Continues To Uphold Family Planning as a Basic National Policy and Contribute To Controlling Excessive Population Growth" -- recorded]

[Excerpts] Comrades, 25 September is the 6th anniversary of the CPC Central Committee's open letter to all CPC and CYL members on controlling China's population growth. In the past 6 years, thanks to the common efforts of the province's people, Hubei has smoothly fulfilled the population plan of the Sixth 5-Year Plan and steadily got through the cyclical effect of the first birth peak of the 1950's. According to statistics, during the Sixth 5-Year Plan, the province's population rose from 46.84 million at the end of 1980 to 49.31 million at the end of 1985. The number of births during the 5 years was 470,000 less than planned. Many advanced areas and individuals have come to the fore in family planning work. [passage omitted]

The tasks of the province's family planning work during the Seventh 5-Year Plan remain very arduous. Beginning in 1985, Hubei entered the third peak birth period, an annual average of 650,000 young couples will be marrying and having children. The Seventh 5-Year Plan stipulates that Hubei's population must be kept below 26 million by the end of 1990. In accordance with this plan, the number of births during the next 5 years cannot exceed 800,000 a year. Calculating by the number of people of marrying age, if the birth of a second or more child cannot be effectively controlled, the number of births each year might exceed 900,000 and the population plan for the Seventh 5-Year Plan could hardly be fulfilled. All other work may be affected by this. The number of births in the first half of this year showed some rise over the same period last year. This is an extremely severe situation facing the people of the whole province. I hope all localities will assign family planning work an extremely important position and grasp it without cease. [passage omitted]

The following are the three main aspects of the family planning policy: 1) Universal advocacy that a couple have only one child, and of late marriage and child-bearing; 2) arranging the birth of a second child for masses who are in genuine difficulties, and appropriately relaxing the policy slightly for minor minority nationalities; 3) strictly banning the birth of a second or more child not included in the plan, without any exception. This means that for quite a long time to come, both in the urban and rural areas a couple can have only one child. Those masses in genuine difficulties can have a second birth arranged in a planned way under the premise of not exceeding the population target plan. We must pay attention to improving work style in family planning work. [passage omitted]

SHAANXI OFFICIAL REFUTES PRICE RISE RUMORS

HK270355 Xian Shaanxi Provincial Service in Mandarin 0200 GMT 27 Sep 86

[Text] According to SHAANXI RIBAO, there has been some reaction following the lifting of price restrictions on seven commodities including brand-name bicycles.

A responsible person of the provincial Prices Bureau has been interviewed on the price issue. He said: The rumor has recently gone around among the masses that the prices of color television sets, grain, edible oil, brand-name cigarettes and wine, and so on are to be raised. There is not the slightest basis for this rumor. Prices of color television sets will not be raised. The prices of ration grain and oil will not be raised; there should be some fluctuation in the negotiated price portion of grain and oil in light of changes in supply and demand. Price restrictions on this portion were lifted long ago. The prices of brand-name cigarettes and wine will not be raised either. I hope the consumers will get rid of unnecessary worries and apprehensions.

SERIOUS PRODUCTS OVERSTOCKING REPORTED IN SHAANXI

HK290225 Xian Shaanxi Provincial Service in Mandarin 0030 GMT 29 Sep 86

[Text] A letter from station reporter Wang Bin reports that there is serious overstocking of products at some factories, and large bank loans are tied up in the value of finished goods.

The letter says: According to a survey of 153 state-owned enterprises carried out by the Baoji City Industry and Commerce Bank, the amount of capital tied up by finished goods there in the first half of the year showed a rise of 54 percent compared with the same period last year. Eighty-two percent of the increased loan figures at the end of June compared with the beginning of the year were accounted for by the value of finished goods.

The Baoji automobile plant has a stockpile of 240 truck trailers worth 1 million yuan. The Fengxiang County cotton weaving mill has a stockpile of 330,000 meters of fiber cloth, tying up 1.67 million yuan in capital.

An important reason for the overstocking of products is that the goods do not meet market needs. Production of some exceeds sales, while some are low quality and high priced.

The letter says: To produce cheap good-quality products that sell well in the markets is the basic principle of enterprise operations. Enterprises where there is serious overstocking of products should resolutely correct their one-sided pursuit of output value, shift their operational focus to improving economic results, step up market forecasting, readjust their product structure, and repaidly change the situation of continue production of items that are already seriously overstocked.

SHAANXI MEETING VIEWS FINANCIAL, OTHER ISSUES

HK270351 Xian Shaanxi Provincial Service in Mandarin 0030 GMT 27 Sep 86

[Excerpts] The 4-day 20th meeting of the 6th provincial People's Congress standing Committee concluded yesterday. The meeting focused on discussing and examining the implementation of the province's budget from January to August and efforts to extricate the Qinba Mountains from poverty.

The province's financial revenue from January to August was 1.58 billion yuan, representing 67.49 percent of the year's plan. At the same time financial expenditure totalled some 2.1 billion yuan, representing 62.89 percent of the year's plan. Expenditure rose by 28.96 percent over the same period last year.

Some committee members said that the main reason for the province's excessive expenditure during the period was failure to live within its means, along with great blindness. It is essential to display resolve to achieve a balanced budget during the last few months of the year. While discussing and examining Vice Governor Xu Shanlin's report on work to extricate the Qinba Mountains from poverty, the participants held that the provincial government has done a lot of work in this respect in the past 2 years. However, these achievements must not be overestimated. The difficulties in that region must not be underestimated. We must pay attention to solving problems in extricating the area from poverty and carrying out construction there. [passage omitted]

Chairman Yan Kelun and Vice Chairman Li Lianbi presided at the meeting. [passage omitted]

SHAANXI PLA BUILDS MISSILE SIMULATOR TRAINER

HK291424 Xian Shaanxi Provincial Service In Mandarin 0200 GMT 29 Sep 86

[Text] According to SHAANXI KEJI BAO [SHAANXI SCIENCE AND TECHNOLOGY JOURNAL], preparations are being stepped up for construction of the PLA's first strategic missile simulator training center at the Technology Academy of the No 2 Artillery Corps. The first group of two purple-system [zi xitong] simulators connected by miniature motors are flexible in operation and give ideal results. This simulator training center indicates that the PLA's strategic missile units are leaving behind their unwieldy and complex training methods of the past and have entered a brand-new stage in which training is scientific, automated, and similar to actual combat.

I. 30 Sep 86

C H I N A
PRC MEDIA ON TAIWAN AFFAIRS

U 1

BEIJING RADIO VIEWS 'ONE COUNTRY, TWO SYSTEMS'

OW250945 Beijing in Mandarin to Taiwan 0205 GMT 22 Sep 86

["Rambling Talk on State Affairs" program, commentary by Wen Liang]

[Excerpts] [passage omitted] Today I would like to discuss one question with you. Let us analyze what is worrying you about realizing the concept of one country, two systems.

Listeners and friends, let us first discuss one particular viewpoint -- the concept of one country, two systems means the implementation of two radically different systems in a country; this is not feasible at all; ultimately the big will swallow the small, and the two different systems will be forced into one. In my opinion, this viewpoint makes the mistake of oversimplifying one's way of thinking. There are many different things in the world, which, in itself, is a complex mass. In the world, numerous different things coexist in an intricate manner, and there are no pure and singular things. This is especially the case with human society.

Let us take the present situation on the mainland as an example. As you know, the economic system on the mainland is a socialist one. However, this system is by no means a singular economy. Besides the state-owned economic organizations based on ownership by the whole people and the collective economic organizations of various sizes, there are a relatively large number of semisocialist and nonsocialist economic organizations, such as cooperatives, privately owned units, and even state-capitalist economic organizations. [passage omitted]

You must have heard about the special economic zones on the mainland. Now, let me use the Shenzhen Special Economic Zone as an example. At present, state-owned and collective enterprises, or enterprises of a socialist economic nature, are less than half of all the enterprises in Shenzhen, and most of these enterprises are using capital from abroad. In other words, the economy is of the nature of capitalism and state capitalism. Do you think this is impossible? Do you think it is a flat contradiction that a capitalist economy is allowed to exist in a socialist country? However, the fact is, the Shenzhen Special Economic Zone is developing rapidly. It is having a profound effect on promoting economic growth in other parts of the country and, at the same time, is receiving vast manpower and financial support from the latter. In fact, the two complement each other, and each one has a role to play.

Now, if the peaceful coexistence of socialist and capitalist economy can be a reality in a certain area under specific conditions, then why can't the two different systems of Taiwan and the mainland coexist? What is more, the Taiwan authorities do not believe that they are practicing capitalism. They say that they are implementing the three Principles of the People. One of the three principles -- the principle of Social Welfare -- is socialism according to Dr Sun Yat-sen's explanation. Compared with capitalism, the Three Principles of the People bear more resemblance to the system being practiced on the mainland. There is no reason for Taiwan and the mainland to be opposed to each other. Don't you think so? [passage omitted]

Listeners and friends, I understand there is another worry, that is, now that Taiwan has performed an economic miracle and the Taiwan compatriots are leading a life far better than the people on the mainland, Taiwan will suffer a great loss once the country is reunified.

With regard to this question, long ago the government of the motherland laid down a clear-cut policy, which has been mentioned in Ye Jianying's nine-point explanation and Mr Deng Xiaoping's numerous talks. Here I wish to say something about this.

First, how should we assess the gap? The gap is not an absolute one. In many localities on the mainland, for example in Shanghai, Guangzhou, and many areas in the south, the people's living standards are not necessarily lower than Taiwan's average living standards. These localities are even more advanced than Taiwan in many respects, such as in basic industry, sophisticated science and technology, and national defense industry. As I have said previously, each has its shortcomings and strong points. It is inappropriate to be complacent about one's strong points and thus obstruct the reunification cause. Moreover, everything in the world is developing and changing, and no gap will continue forever. With the implementation of the present CPC policy of opening to the outside world and enlivening the domestic economy, the people's living standards on the mainland will increase quickly, and the gap with those of the Taiwan compatriots will gradually diminish and disappear.

Listeners and friends, let us analyze one more worry, that is, that the CPC is not trustworthy, and that its policy may change after reunification is realized. The reason for this line of thinking is that in the last two instances of cooperation with the CPC, the Kuomintang suffered losses because it believed and trusted the CPC and errors were committed by the CPC in ruling the mainland. In my opinion, neither of these allegations should be a cause of worry. [passage omitted]

As Mr Hu Yaobang, general secretary of the CPC Central Committee, has said, neither of the two unfortunate divisions was caused by the Communist Party; we do not want to settle old accounts here, but let bygones be bygones. The two instances of Kuomintang-CPC cooperation have become a matter of history. We do not want to argue now who was right and who was wrong. What we want to see is that you are free from worries, pay attention to historical facts, and trust that the CPC will keep its word.

As for the realistic question whether the CPC's policy will change, Mr Deng Xiaoping has said unequivocally: Our actions will follow our words, and we will never play tricks. The policy of one country, two systems is not my personal idea, but a principle adopted by the NPC. As a law, how can it be changed? The key is whether the policy is correct or incorrect. If it is correct, nobody can change it. If you say that vacillation of CPC is evident from the decade of turmoil and the several political movements on the mainland, then I would say: Bad things can often turn into good ones. That is, a fall into the pit, a gain to your wit, as the saying goes.

OPPOSITION GROUP FORMS NEW POLITICAL PARTY

BK281700 Hong Kong AFP in English 1648 GMT 28 Sep 86

[Text] Taipei, Sept 28 (AFP) -- A major Taiwan opposition group Sunday announced the formation of a new political party, despite the fact that such a move is illegal, an opposition leader said. Some 135 opposition figures co-signed the declaration forming the new party, the Democratic Progress Party, Yu Ching told AGENCE FRANCE-PRESSE.

It was formed by the Tangwai, which means outside the (ruling) Kuomintang (KMT), a major opposition group here.

Justice Minister Shih Chi-yang warned Saturday that anyone who violated Taiwan's ban on forming new political parties would be "dealt with in accordance with the law."

Mr Yu, a former Tangwai Research Association for Public Policies (TRAPP) chairman, said Sunday that the ban was "without legal basis, it was only a policy declaration by the KMT. If any of us was arrested because of the new party's formation it will be political persecution."

The KMT allowed the TRAPP to open branch offices in May, and a KMT Standing Committee has been considering reforms to the party ban for several months.

Takes KMT by 'Surprise'

HK290854 Hong Kong AFP in English 0835 GMT 29 Sep 86

[By Hsin-Hsin Yang]

[Text] Taipei, Sept 29 (AFP) -- An opposition group's announcement that it had formed a new political party has taken Taiwan's ruling Kuomintang (KMT) by surprise, observers said here Monday. Informed sources said top KMT officials and security authorities held urgent meetings late Sunday after 135 Tangwai opposition members signed a declaration announcing the creation of the Taiwan Democratic Progress Party.

There was no immediate official reaction or indication of what steps that KMT was likely to take in response to this open defiance of a 37-year-old ban on the setting up of political parties. A ban on new political parties has been in force since 1949 when the KMT fled the mainland for Taiwan after being defeated by the communists.

The announcement of the party followed an impromptu proposal at a meeting Sunday called to select opposition candidates to contest December 6 elections to the National Assembly and Legislative Yuan (parliament), an opposition member said. The declaration was signed by 135 oppositionists and announced at the meeting by senior legislator Fei Hsi-ping.

Mr. Fei was also one of seven people elected to the new party's organizing committee to work out details of the party's charter and policy platform before a national conference scheduled to be held before the end of the year.

The announcement by the Tangwai -- which literally means "Outside of the (KMT) Party" -- was made one day after Taiwan's Justice Minister Shih Chi-yang warned that organizers of new parties "would be dealt with in accordance with law." The 135 signatories included the 20 Tangwai candidates for the Legislative Yuan elections and 22 nominees for the National Assembly elections.

A member of the Tangwai Research Association for Public Policy (TRAPP) said the group-signing was designed to head off possible arrests by the authorities because "it would be embarrassing to arrest all who signed the declaration." He shared the view of some independent observers who believed the surprise formation of the party was part of the opposition's strategy to win votes in the year-end elections.

"We've been vowing to break the party ban for years and if there was no progress in this regard, how could we appeal to our supporters," he commented. The move was also inspired by exiled dissident Hsu Hsing-liang, who said from New York that he planned to return and challenge the party ban by forming the Taiwan Democratic Party on October 4, the TRAPP member added.

The Tangwai's move surprised Li Hung-hsi, a National Taiwan University law professor and one of three academics who had persuaded the KMT and TRAPP to begin a dialogue in May. "There was no indication at all that they were going to make such a move," Mr. Li said, adding that he feared the move would "enhance confrontation" despite concessions made by the KMT in recent months. It would make more difficult the efforts to resume the dialogue, suspended indefinitely in June by TRAPP after two meetings, Mr. Li said.

The KMT had allowed TRAPP to open branch offices in May, but insisted that it register with the Interior Ministry as a civilian organization and drop the word Tangwai from its name. TRAPP has opened 13 offices since then without complying with the conditions. The two legal parties other than the KMT -- The Young China Party and China Democratic Socialist Party -- were both formed before the 1949 ban and are allies of the ruling party with little say in decision-making.

PREMIER DENIES COUNTRY'S INTERNATIONAL ISOLATION

OW261135 Taipei CNA in English 1015 GMT 26 Sep 86

[Text] Taipei, Sept. 26 (CNA) -- Premier Yu Kuo-hua said Friday that the Republic of China [ROC] is not isolated in the international arena following its withdrawal from the United Nations and its affiliated international organizations.

Answering an interpellation from Legislator Tsai Shen-pan, the Premier said that the nation maintains 57 representative offices in countries with which the ROC has no diplomatic ties and that the nation has formal or informal affiliation with 673 international organizations. Of the 167 nations in the world, Yu said, the ROC has substantial relations with 140.

Yu also said that, while adhering to the principle of self-determination and independence and holding firmly to its anti-communist stand, the ROC continues to play an active and constructive role in the arena of international relations.

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Rejects Flag, Name Change

OW261129 Taipei CNA in English 1018 GMT 26 Sep 86

[Text] Taipei, Sept. 26 (CNA) -- Premier Yu Kuo-hua rejected a proposal made Friday in a Legislative Yuan interpellation to change the national name, flag and anthem of the Republic of China.

Premier Yu said that the Republic of China was established through the devotion and efforts of numerous revolutionary martyrs. "We should be proud of our country," Yu stressed. As the name, flag and anthem of the nation represent the country, a change of any of these symbols would constitute a denial not only of its status and position, but also of the country itself, the premier asserted.

Yu made the remarks in reply to an interpellation by Legislator Tsai Sheng-pang.

YUAN REITERATES STAND ON SPORTS CONTACTS

OW291459 Taipei CNA in English 1445 GMT 29 Sep 86

[Text] Taipei, Sept. 29 (CNA) -- The Executive Yuan of the Republic of China has reiterated its principle of separation of politics and sports and academic events in handling cases of the nation's civic groups taking part in international sports and athletic events.

On the condition of not violating the nation's anti-communist stand, the government will allow domestic scholars and athletes to take part in international conferences or games in communist nations on a case-by-case basis, the Yuan said in a written response to interpellations by Legislator Lin Yu-hsiang, Chiang Peng-chien and Huang Chu-wen.

With regard to the principle followed on whether to approve the broadcasting of sports events in communist nations or those in which this nation's athletes compete against communist athletes, the Yuan said that the Government Information Office's principle concern is to consolidate the nation's solidarity and to prevent the people here from being adversely affected by communism.

Under the prerequisite of not violating the nation's basic policy, the government will try to be as flexible as possible in handling these cases, it said.

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